City of Saskatoon

SUSTAINING THE SASKATOON ADVANTAGE

2015 CORPORATE BUSINESS PLAN AND BUDGET

The ***2015 Corporate Business Plan and Budget: Sustaining the Saskatoon Advantage*** will guide our investment activities, projects, service levels and performance measures for 2015 with a disciplined and focused approach. The Business Plan and Budget reflect the priority needs of the community, based on City Council and citizen input.

The City of Saskatoon's 2015 Budget (including Utilities and Land Development) has a combined capital and operating investment of approximately $1.1 billion comprised as follows:

> **2015 Capital Budget:** $373.4 million investment in capital projects

> **2015 Operating Budget*:** $728.4 million towards the City of Saskatoon's operations

* Made up by the following categories:
Civic Services - $430.7 million, Utilities - $289.3 million, Land Development - $8.4 million

TABLE OF CONTENTS

MESSAGE FROM THE MAYOR 2

MESSAGE FROM THE CITY MANAGER 3

EXECUTIVE SUMMARY 5

AN OVERVIEW OF SASKATOON'S DEMOGRAPHIC, ECONOMIC, SOCIAL, AND ENVIRONMENTAL ISSUES & TRENDS 11

2015 CORPORATE BUSINESS PLAN 38

BUSINESS LINES

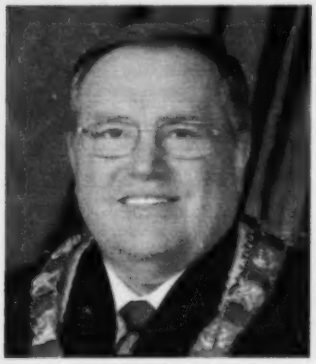
- Community Support 51
- Corporate Asset Management 55
- Corporate Governance and Finance 57
- Environmental Health 61
- Fire Services 64
- Policing 66
- Recreation and Culture 68
- Taxation and General Revenues 72
- Transportation 74
- Urban Planning and Development 78
- Utilities 83
- Land Development 86

SUMMARY OF THE 2015 CAPITAL AND OPERATING BUDGETS 89

THE CITY OF SASKATOON'S 2015 OPERATING BUDGET 97

THE CITY OF SASKATOON'S 2015 CAPITAL BUDGET 103

MESSAGE FROM THE MAYOR



Saskatoon is an energetic city filled with families who believe in their future and believe in the city. We are home to international, national and local companies who believe Saskatoon is the right place in which to invest. Each day I see breathtaking vistas in the beautiful South Saskatchewan River valley. Each day I hear the heartbeat of a great city that is prospering and succeeding. This is the Saskatoon advantage. I believe in this city and I believe in our future.

I am pleased to present the **2015 Corporate Business Plan and Budget: *Sustaining the Saskatoon Advantage***.

Saskatoon is going through amazing changes; the economy has grown by 70 percent since the year 2000, more than 50,000 jobs have been created over the past decade alone and our population grew by 80,000 over the last 20 years. We have seen unprecedented growth.

Now our task is to sustain that Saskatoon advantage and propel this city toward half a million residents and more. The 2015 Corporate Business Plan and Budget demonstrates our desire to succeed and the ability to make it happen.

In 2015 we are focusing on a common sense approach to provide the services and infrastructure our city needs and our citizens deserve. I believe strategic investments in public infrastructure are integral to our competitiveness. We have a clear set of priorities that will guide us as we continue to build a great city.

In 2014 my colleagues on City Council and I agreed to create permanent funding for roadway infrastructure rehabilitation. Budget 2014 saw a dedicated road levy of $50.5 million to maintain and repair Saskatoon roads and sidewalks, enhance snow clearing and upgrade and increase street sweeping. In 2015, we continue those strategic investments by dedicating more than $53.0 million to roadway infrastructure. These investments align with our 2013 - 2023 Strategic Plan and respond to citizens desires which were clearly stated in the *2014 Civic Services Survey*.

Construction is set to begin on the Commuter Parkway Bridge/Traffic Bridge P3 Project. The Civic Operations Centre P3 Project is under construction. The City is also participating in a provincially led P3 project to construct eight new joint use schools in Saskatoon. The schools will have shared community centre space including 360 daycare spaces located in the multi-use facilities.

I have mentioned only a few common sense and top priority items here. It is worth noting that Standard & Poor's continues to recognize the City's strong fiscal management by awarding the City with a 'AAA' credit rating.

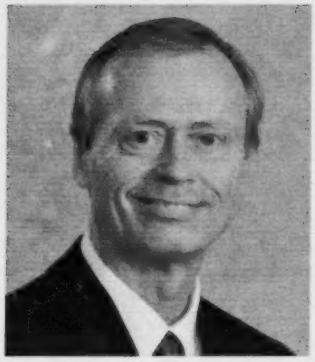
There are international economic headwinds over which we have no control. But we can make smart decisions guided by common sense and clear priorities that will help strengthen Saskatoon. This Business Plan & Budget lays out the framework to *Sustain the Saskatoon Advantage*.

Donald J. Atchison

Donald J. Atchison,
Mayor

2015

MESSAGE FROM THE CITY MANAGER



I am pleased to present the City of Saskatoon's approved **2015 Business Plan and Budget: *Sustaining the Saskatoon Advantage***.

Saskatoon is blessed with many advantages that make our community one of the best places to build a life and a career. A strong and growing economy, a very high quality of life, and most importantly, great people who take pride in the health of their community.

Indeed, the 2015 Business Plan and Budget is one of the key ways we bring these advantages to life. This budget is balanced and represents responsible choices for a fast growing city. It is guided by the City's 10-year Strategic Plan and influenced by the priorities of City Council and our citizens.

Saskatoon has been leading the nation in population and economic growth over the past five years. We have been averaging almost three percent population growth and five percent economic growth per year over the last five years. In 2014, remarkably, the Saskatoon region was responsible for 87 percent of all net new jobs in Saskatchewan. And while our growth is expected to moderate in 2015, we know that this is only temporary. As such, we need to ensure that we plan ahead and dedicate the resources to address the opportunities and challenges that will inevitably come our way.

As a rapidly growing municipality, we face many challenges that can sometimes make it difficult to remain focused on our goals and priorities. Some challenges are larger than we can handle alone and require us to find new and innovative ways to address issues and to seek assistance from other orders of government.

Our growing city and our aging infrastructure are examples of challenges we must address. Our 2015 Business Plan and Budget provides detailed action plans and resource requirements to meet our operational needs, improve our infrastructure and achieve our strategic goals. This Business Plan and Budget maintains our approach to fiscal prudence, which will allow us to maintain our 'AAA' credit rating.

More specifically, this Business Plan and Budget invests in those programs and services that matter most to the people we serve. For example, in 2015 we are continuing to invest in improving the condition of roads, bridges and sidewalks. Budget 2015 will invest over $53.0 million to maintain and repair Saskatoon's roads and sidewalks, an increase of nearly $3.0 million over the previous year.

Our disciplined and focused approach to address road conditions and traffic flow will lead to more and better transportation options. This will result in an optimal flow of people and goods around the city, and in turn, a good quality of life for citizens.

We know that having a great quality of life doesn't end with smoother, better roads. Ensuring a balanced approach to growth is also a major priority. Our focus remains on meeting the changing needs of our citizens and the 2015 Business Plan and Budget does that by addressing other priorities.

These include more robust snow clearing; funding to maintain existing bridges and build new ones; sidewalk improvements; more cycling options; better street sweeping services; more parks and recreation opportunities; and increasing our efforts to provide a clean and safe city.

MESSAGE FROM THE CITY MANAGER

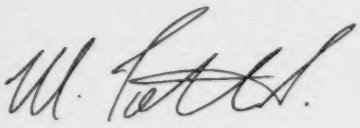
The City delivers more than 70 services; many of which are provided 24 hours per day, 7 days a week. However, the City's limited fiscal tools create challenges for us in delivering such a wide range and complexity of programs and services to a growing and diverse City population.

As a result, The City of Saskatoon does and will continue to look for innovative service delivery alternatives with the aim of increasing value to citizens and reducing the costs of delivering municipal programs and services.

Through careful management of costs, and thoughtful evaluation of services and staffing across all City departments, the budget sustains core services while continuing to invest in key priorities by leveraging technology and updating service models to the public and within City departments. These changes require investment, take time, and will impact the organization and the public. Without these and future improvements, it will be difficult to control the City's increasing costs over the longer term.

To ensure accountability and transparency, we will continue to review and report our performance to ensure our efforts result in a high quality of life, and that resources to deliver the programs and services citizens rely on each day are not compromised. The 2015 Business Plan and Budget begins the process of establishing performance measures so that we can determine if our investments are achieving their intended objectives. This will allow us to make the necessary adjustments to keep us on the right track.

There are many things that the City of Saskatoon, City Council, and the public, would like us to achieve through the Business Plan and Budget. However, our fiscal reality tells us that we need to remain focused on our priorities. This Business Plan and Budget does that. It is making the necessary investment to ensure that we can continue to sustain Saskatoon's tremendous advantages.



Murray Totland, P.Eng., MBA
City Manager

2015

A breathtaking river valley surrounded by the bustling Meewasin Trail; a pristine urban forest that is a treasured natural resource; a vibrant downtown core that buzzes with activity; a world class university, that attracts the best and brightest; a sizzling economy that is creating new opportunities for all; a quality of life that is second to none; and, great people that possess a strong sense of community.

Prudent financial management that results in a 'AAA' stable credit rating; reasonable tax levels that makes the city more competitive; safe streets and neighbourhoods that help to improve public safety; modern and well-maintained public infrastructure that provides the amenities for people to enjoy; and, the efficient delivery of a variety of core services that citizens use each and every day...

These are Saskatoon's Advantages!

EXECUTIVE SUMMARY

Because of these advantages, Saskatoon has become one of the most attractive cities in Canada. As the Conference Board of Canada reported in *City Magnets, Benchmarking the Attractiveness of 50 Canadian Cities*, "Saskatoon experienced the most dramatic improvement" and is one of the eight most attractive cities in Canada. This is substantiated by the fact that over 26,000 people have moved to Saskatoon since 2010.

All indications suggest that Saskatoon will continue to grow. The Conference Board of Canada declared in its 2014, *Spring Metropolitan Outlook*, "Saskatoon's economy is hot." This is largely due to record population, and economic and employment growth in 2013. Although Saskatoon's economy is expected to cool a little in 2014 and 2015, the following projections are still impressive. For example, in 2015:

- approximately 7,500 additional people, or over 20 new people each day, will move to Saskatoon, bringing the city's population to almost 270,000;
- over 3,200 new homes will be built to accommodate the new residents to Saskatoon;

EXECUTIVE SUMMARY

- Saskatoon's economy is forecast to grow by 3%, increasing the value of the Saskatoon economy to almost $18 billion;
- Saskatoon's unemployment will remain at 4% as strong economic growth leads to more jobs being created; and,
- Saskatoon's personal income per capita will rise by 2%, as wages continue to increase in a strong labour market.

Of course, new residents who have moved to Saskatoon in the past five years, and all those who are expected to arrive in the future, do not come empty handed. They bring their vehicles, their ambitions, and more importantly, their expectations for basic infrastructure and fundamental public services like efficient transportation options, clean drinking water, safe streets, and modern arts, cultural, and recreation facilities.

Given its limited revenue sources, the City of Saskatoon is stepping up to the challenge of meeting these expectations in two important ways:

First, the City of Saskatoon's 2015 Business Plan and Budget: *Sustaining the Saskatoon Advantage* contains several projects and initiatives that the City intends to make significant progress on in the coming year. Some of the more significant ones include:

- work will begin on the new North Commuter Parkway and replacement of the Traffic Bridge to help ease congestion and improve productivity;
- construction of a new Civic Operations Centre will begin to help improve the efficiency of City operations;
- recommendations from the four key subject areas included in the *Growing Forward! Shaping Saskatoon* study will be unveiled to improve the way the City plans for growth;
- the City and its regional partners will continue to work on a regional growth plan to ensure that the Saskatoon region can grow in a sustainable way;
- the City will launch a new, modern, user-friendly website to improve public communication and engagement; and,
- the City will implement *Service Saskatoon* to provide more coordinated and better customer service.[1]

Second, the City of Saskatoon is proposing to do more to improve its infrastructure. In Budget 2014, *The Roads Ahead...* the City unveiled an aggressive three-year plan to improve the conditions of Saskatoon's roadways. Specifically, Budget 2014 invested $50.5 million to maintain and repair Saskatoon's roads and sidewalks, enhance snow and ice removal, and increase street sweeping.

The returns on this initial investment are starting to pay dividends to the people of Saskatoon. For instance, through its *Building Better Roads* campaign, launched in March 2014, the City:

- resurfaced 200 kilometers of roadways;
- repaired 6 kilometers of sidewalks;
- used 3,300 tonnes of asphalt to repair 188,000 potholes;
- graded more than 400 kilometers of gravel back lanes;
- rebuilt 13 kilometers of back lanes;

1 More details on these and other projects and initiatives that the City hopes to achieve in 2015 are provided later in this document as well as in the 2015 Approved Operating and Capital Budget document.

- rehabilitated 2.45 kilometers of paved back lanes;
- painted 870 kilometers of edge, center, and lane lines;
- applied 27 kilometers of durable line markings; and,
- swept 61 residential neighbourhoods including the city centre, 96 school zones and 10 industrial and suburban centres.

Despite these impressive returns, the City recognizes that more work is required to ensure that its public infrastructure and its delivery of core services meet the needs of Saskatoon's residents. Indeed, the City believes that strategic investments in public infrastructure are integral to its competitiveness, and this belief is supported by extensive research.

For example, according to *"At the Intersection,"* a study released by the Canada West Foundation in February, 2013:

> *The literature shows that inadequate public infrastructure is a threat to long-term economic growth. Inadequate public infrastructure lowers economic potential in a direct and obvious way according to this simple progression:*
>
> - *Inadequate infrastructure results in increased costs for business.*
> - *Increased costs result in a lower return on private investment.*
> - *Lower returns - profits - mean less money for business to re-invest in new plants, machinery, and technology.*
> - *Less investment means fewer jobs and less productive labour.*
> - *Lower productivity means less economic output and lower personal incomes.*
>
> *The end result is a loss of competitiveness and lower rates of economic growth.*

As a result, the City's 2015 Business Plan and Budget: *Sustaining the Saskatoon Advantage* makes strategic investments in infrastructure and core services that will make Saskatoon an even more attractive and desirable place to live, work, and invest. Specifically, Budget 2015 proposes to invest a total of $1.1 billion (this includes Civic Services, Utilities, and Land Development), with $728.4 million allocated to Operating and $373.4 million allocated to capital infrastructure.[2]

These investments are aligned with the City's 2013 - 2023 Strategic Plan and will greatly assist City Council and the Administration in accomplishing the goals and priorities identified in that Plan. In addition, the investments proposed in Budget 2015 attempt to meet public expectations. How?

Well, over the past two years, in particular, the City has heard loudly and clearly that residents want more resources directed to improving the condition of Saskatoon's roads. According to the City's 2013 and 2014 *Civic Services Survey* results, while almost 90% of respondents rate the quality of life in Saskatoon as either good or very good, a majority of residents believe that the condition of Saskatoon's roads are, by far, the single most important issue facing the City.

The implication is that if this issue is not appropriately addressed, it will reduce Saskatoon's quality of life, economic competitiveness, and the efficient delivery of core services. In other words, failing to invest in the City's infrastructure, such as roads, has the potential to significantly erode the *Saskatoon Advantage*.

Given this important implication, Budget 2015, like Budget 2014, makes an unprecedented investment in Saskatoon's roads. Budget 2015 will invest over $38.5 million to maintain and repair Saskatoon's roads and sidewalks, an increase of approximately $1.9 million over the 2014 investment.

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2 *More details on the City's 2015 Operating and Capital Budget are provided later in this document as well as in the 2015 Approved Operating and Capital Budget document.*

EXECUTIVE SUMMARY

To help pay for this investment, Budget 2015 includes a dedicated property tax increase of 1.94%. This is the second of a four-year phase-in to build the annual investment in Saskatoon's roads and its related services to meet the demands of a strong economy and a growing population. In 2015, the total roadways investment (including back lanes and boundary roads) will exceed $53 million.

This investment, coupled with the City's new road design standards, will contribute to improving the condition, safety, and longevity of Saskatoon's roads.

Despite its focus on making investments in infrastructure and core services, *Sustaining the Saskatoon Advantage* also includes important measures to make the City a better-run organization through:

- more efficient municipal government;
- better performance measurement; and,
- implementation of corporate Risk Based Management (RBM).

More Efficient Municipal Government

The City does and will continue to look for innovative service delivery alternatives that can positively impact the value to citizens and reduce the costs of municipal services. Over time, the Administration has implemented several service delivery alternative approaches and continues to look at opportunities to improve the effectiveness and efficiency of programs.

To capture the benefits of its innovations and efficiencies, the City implemented a Continuous Improvement Strategy in December 2013 to align with the City's Strategic Goal of a Culture of Continuous Improvement.

According to the City of Saskatoon's *2013 Report on Service, Savings and Sustainability: How the City is Improving Productivity*, the City:

> *Increased our savings by taking a fresh look at how we operate, enabling the City to realize approximately $50 million in savings and additional revenue in 2013 and more than $74 million over the next 30 years. Additionally, there is $600,000 in deferred savings resulting from the use of innovative and creative approaches to our work.*

The Continuous Improvement (CI) Strategy is a corporate-wide approach to ensuring effectiveness and improving efficiencies in municipal services and operations. An ongoing approach, including regular service level reviews, encourages the Administration to go beyond conventional needs to provide high-quality service to the people of Saskatoon using innovative and creative means.

During the 2014 budget deliberations, the Administration committed to identifying $1.37 million in savings in 2014 in the form of efficiencies and reduction of waste. Without these savings, the 2014 mill rate would have been approximately 1% higher.

Through several continuous improvement initiatives in 2014, the Administration identified $1.37 million in sustainable savings, reducing the 2015 base budget. Additionally, over $25 million in increased operational efficiencies, capital savings, and service level enhancements was identified. Some of these initiatives include:

- Transitioning from manual to online processes in many divisions resulted in savings of over $62,000 (i.e. electronic tendering, staffing actions, electronic submission of forms and timesheets);
- Increased communication and coordination of information internally as well as externally (i.e. *notifynow, Service Alerts, Building Better Roads Campaign*);

- Increased coordination on planning and budgeting for major corporate projects;
- Improved tendering and procurement processes (i.e. electronic tendering process resulted in a savings of $50,000 and coordinated tendering of fitness equipment saved $12,000);
- Negotiation of a multi-year licensing agreement with Microsoft resulted in savings of $140,000;
- Use of concrete as opposed to masonry block for neighbourhood entry fencing resulted in cost savings of $477,000 in material and construction costs;
- Civic Service Reviews conducted on the design, construction, and maintenance of civic roadways and parks as well as on waste handling operations resulted in a number of efficiency gains and productivity improvements;
- Fire Services continuous improvement review resulted in $4.9 million operational savings and $11 million in capital savings that will be realized in the short, medium, and long term; and,
- Optimization of the chemical dosage at the Water Treatment Plant resulted in $450,000 in savings through the reduction in chemicals used in the process.

Through this pursuit of efficiencies and identification of innovative ways to deliver expanded services, the Administration strives to continue to improve service to citizens and ensure the City of Saskatoon is providing high quality services in the most cost effective manner.

Better Performance Measurement

Developed with input from the community, the City's 10-Year Strategic Plan outlines seven Strategic Goals. Each goal has 10-Year Strategies and 4-Year Priorities which represent the "how-to" component to integrate Saskatoon's Vision into its operations.

Performance measures are a way of monitoring progress toward achieving the City's Strategic Goals, and determining whether investments made are achieving results at a corporate or community level.

Benefits to having performance measures and targets include:

- providing a communication tool that can contribute to success when used to quantify results and expectations;
- tracking progress toward goals and targets;
- ensuring the Administration is working toward the City's vision;
- providing a balance between risk and controls;
- assisting in managing the work being done throughout the organization;
- measuring cost efficiency in delivering municipal services, quality, and effectiveness;
- leading to overall performance improvement; and,
- aligning budget decisions with planning decisions.

City Council will be finalizing the performance measures and targets, progress toward achieving these targets will be reported in 2015. A balanced scorecard, published annually, will keep the public informed of the City's progress towards achieving the performance targets.

EXECUTIVE SUMMARY

The performance targets will be used for resource allocation decisions during the preparation of the 2016 Corporate Business Plan and Budget.

Annual public reporting strengthens the City's accountability to taxpayers. Taxpayers can also use the report to become more involved in discussing service needs and priorities with City Council. Additionally, City Council and the Administration will use the performance targets as a business-planning tool to improve operations as the information will form part of the decision making process.

Tracking progress related to performance targets also helps to identify when a program or service is not being delivered effectively or efficiently which can result in insufficient services to the public. Performance targets and indicators highlight accomplishments and assist the organization in achieving its culture of continuous improvement, one of the City of Saskatoon's Strategic Goals.

Implementation of Corporate Risk Based Management

As part of continuing efforts to ensure that the City is the best-managed City in Canada, the City initiated a Risk Based Management (RBM) System after identifying the need for a systematic approach to managing corporate risk in a strategic way. The program will assist the Administration to enhance intelligent risk performance in all areas of the operations, ensuring continuous improvement in the way the City is managed, as well as continued growth in public confidence in the City's performance.

The RBM System will help the City maximize growth by making the most of its opportunities. Conversely, it will also identify the challenges that might impede that corporate growth within the context of the seven Strategic Goals outlined in the 2013 - 2023 Strategic Plan. The 2015 Corporate Business Plan will outline the corporate risks and challenges in more detail.

AN OVERVIEW OF SASKATOON'S DEMOGRAPHIC, ECONOMIC, SOCIAL, AND ENVIRONMENTAL ISSUES & TRENDS

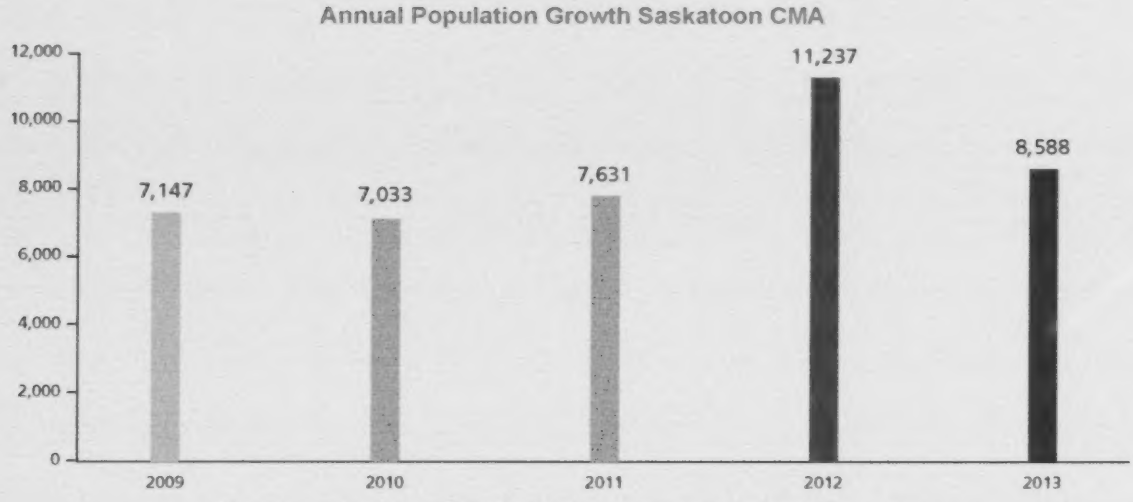
This section provides an overview of key population and demographics; economic, social, and environmental issues and trends that the City of Saskatoon considered and utilized in developing and preparing its 2015 Corporate Business Plan and Budget. By paying attention to issues and trends, the City of Saskatoon is able to more efficiently dedicate its human, financial, and technological resources to key programs and services.

Population and Demographic Issues and Trends

Saskatoon's strong economy has resulted in continuous and substantial population increases in recent years. For a second consecutive year, the four fastest growing CMAs were in Alberta and Saskatchewan, with Calgary recording the strongest population growth rate at 4.3%. The next highest population growth rates were in the CMAs of Saskatoon (+3.9%), Edmonton (+3.8%) and Regina (+3.1%). Oshawa (+1.6%) and Winnipeg (+1.6%) were the only two other CMAs in the country recording population growth rates higher than the average rate of all CMAs (+1.5%). Source: The Daily, Wednesday, February 26, 2014

According to Statistics Canada, the population of the Saskatoon CMA – which includes cities and towns such as Martensville, Warman, and Delisle – was 292,597 as of July 1, 2013.

ISSUES AND TRENDS

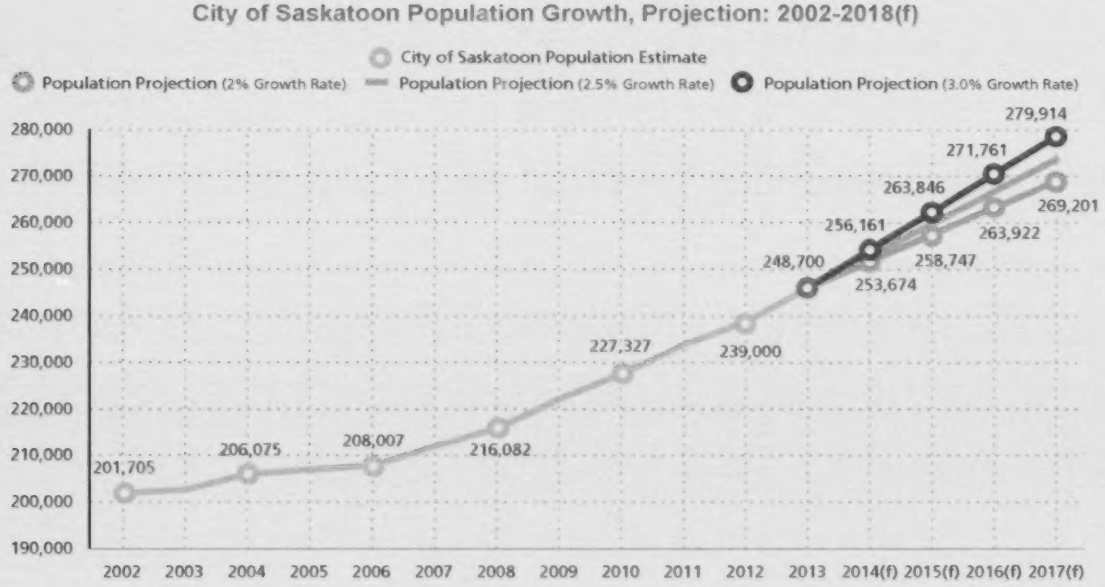


Source: Statistics Canada Annual Demographic Estimates: Subprovincial Areas, 2013

Subsequent charts will break down the sources of the population to provide a better perspective on the types of people moving to the Saskatoon region.

More locally, the City of Saskatoon's internal projections and estimates indicate that as of December, 2013, Saskatoon's population had reached 248,700. Since 2006, the city has added over 38,000 new residents averaging 6,000 new residents per year.

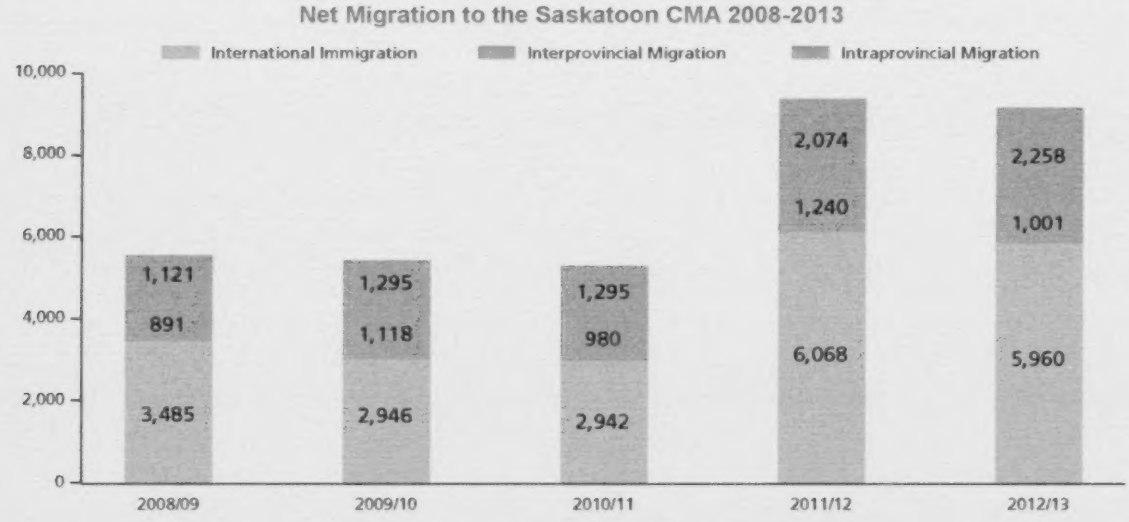
The following graph shows high and medium population growth projections for Saskatoon. If these projections materialize, Saskatoon's population will be above 275,000 in just five years.



Source: Statistics Canada, City of Saskatoon Population Estimates, December 2013

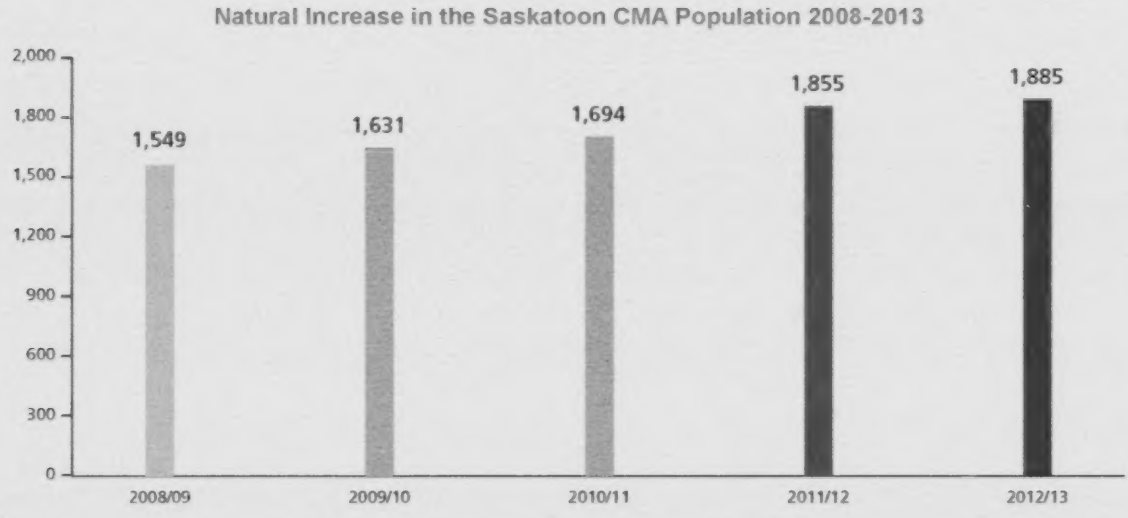
Saskatoon's strong population growth has been driven primarily by international immigration. As shown in the charts below, 65% of net migration in the CMA has come from international immigration.

Moreover, the population data reveals significant increases in both net interprovincial (more people moving from other provinces) and intraprovincial (more people moving from Saskatchewan communities) migration. This means more people are moving to, rather than moving from, Saskatoon from other cities and communities across Canada and Saskatchewan.



Source: Statistics Canada Annual Demographic Estimates: Subprovincial Areas, 2013

Another important component of population growth is the number of births over deaths, referred to as the "natural increase in population". As shown below, the Saskatoon CMA is experiencing a "baby boom" of sorts. This positive trajectory indicates that more daycare spaces, schools, and recreation facilities will be required to accommodate this growth.



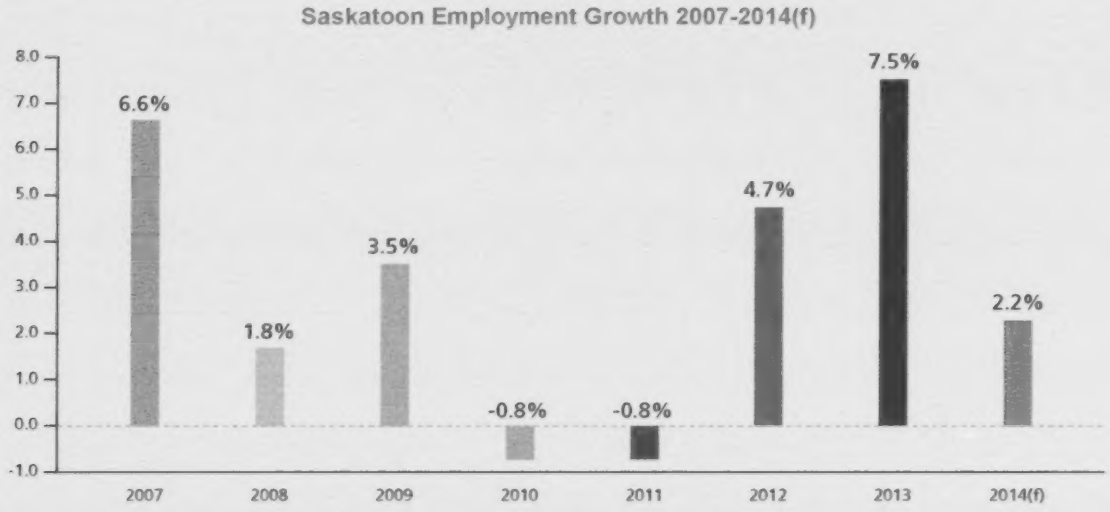
Source: Statistics Canada Annual Demographic Estimates: Subprovincial Areas, 2013

ISSUES AND TRENDS

Economic Issues and Trends

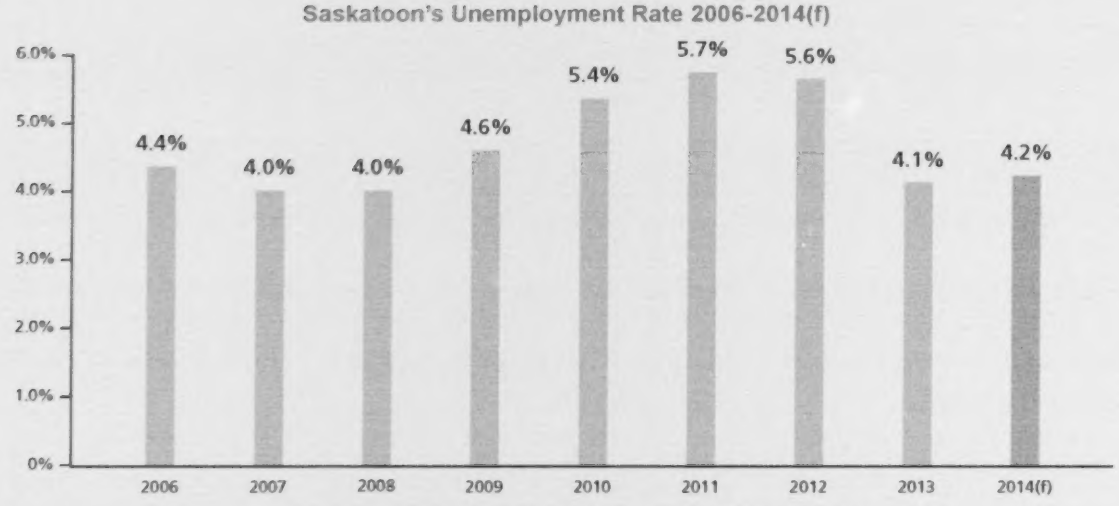
Saskatoon is Saskatchewan's largest city. With a growing population and a thriving business sector, Saskatoon has positioned itself as an attractive and vibrant city that is a primary engine of the Saskatchewan economy. Notwithstanding the global economic challenges, Saskatoon's diverse economy, low unemployment, healthy real estate market, and rising incomes, all indicate that Saskatoon will continue to grow and prosper, becoming an even more attractive and competitive city.

In 2013, Saskatoon had record employment growth adding approximately 12,000 new jobs. This brought Saskatoon's labour force to approximately 163,000 people. The Conference Board is projecting that job growth will increase by 2.2% in 2014, which is down sharply from the record achieved in 2013.



Source: Conference Board of Canada: Metropolitan Outlook Spring 2014

Because of record job growth in 2013, Saskatoon's unemployment rate fell to 4.1% in 2013. Saskatoon has not experienced such low unemployment since the pre-global recession era of 2008. The Conference Board of Canada is predicting that the unemployment rate will be largely unchanged in 2014.



Source: Conference Board of Canada: Metropolitan Outlook Spring 2014

Inflation

Municipal governments are under considerable pressure to relate their spending and taxation levels to the cost of inflation, yet each municipal government's experience with inflation can differ greatly from a national average. The most widely applied measure of inflation in Canada is the Consumer Price Index (CPI).

The CPI measures the price changes for common household purchases, such as food, shelter, clothing, household operations, and furnishings; these are items that a municipal government typically does not purchase to provide programs and services to its citizens. However, given the CPI's pervasive use in setting cost-of-living adjustments (COLAs), it can be the appropriate metric when calculating the rate of consumer inflation at the national level.

Source: Statistics Canada, January 2014

ISSUES AND TRENDS

The CPI is a useful proxy for cost inflation in general as it is a well-known statistic and is produced monthly by an independent source (Statistics Canada). However, extending the use of the CPI into discussions on the appropriate level of property tax or fee increases for a municipal government becomes problematic because:

- A municipal government's actual experience with inflation often differs greatly from CPI.
- The "basket of goods" that is consumed by a municipality as compared to an individual or a household is different. For this reason, the Consumer Price Index is not a good indicator.

Generally, this is because the largest expenditures for governments are typically labour, construction materials, and contractual services, which are substantially different factors than those found in the CPI.

For the City of Saskatoon, inflation can be described as the increase in the cost of goods and services that are normally purchased by the City to provide vital programs and services to the citizens of Saskatoon. In other words, inflation is a function of the increase (or decrease) in costs to provide such programs and services as:

- Transportation Services: roads, streets, sidewalks, public transportation
- Utilities: water, wastewater, storm water, solid waste
- Community Support and Recreation Services: parks, recreation, libraries, museums, social services, sport and culture
- Protective Services: fire, police, bylaw enforcement
- Planning and Development: economic, land use, building standards

As such, municipal governments have their own spending patterns and cost profiles that are different than other economic sectors. A price index that does not reflect the municipal purchasing structure is incapable of truly reflecting the changes in the purchasing power of local governments such as the City of Saskatoon.

To better understand and communicate the true inflationary pressures on municipal budgets, the City of Saskatoon has followed the trend of other municipalities and has developed a Municipal Price Index (MPI) (or Municipal Cost Index). There are two main parts to the MPI calculation: 1) weightings of the expenditure categories (showing the relative importance of items in the index); and 2) the inflation factor used for each component. The weightings for Saskatoon's MPI are based on the approved operating budget and include such categories as:

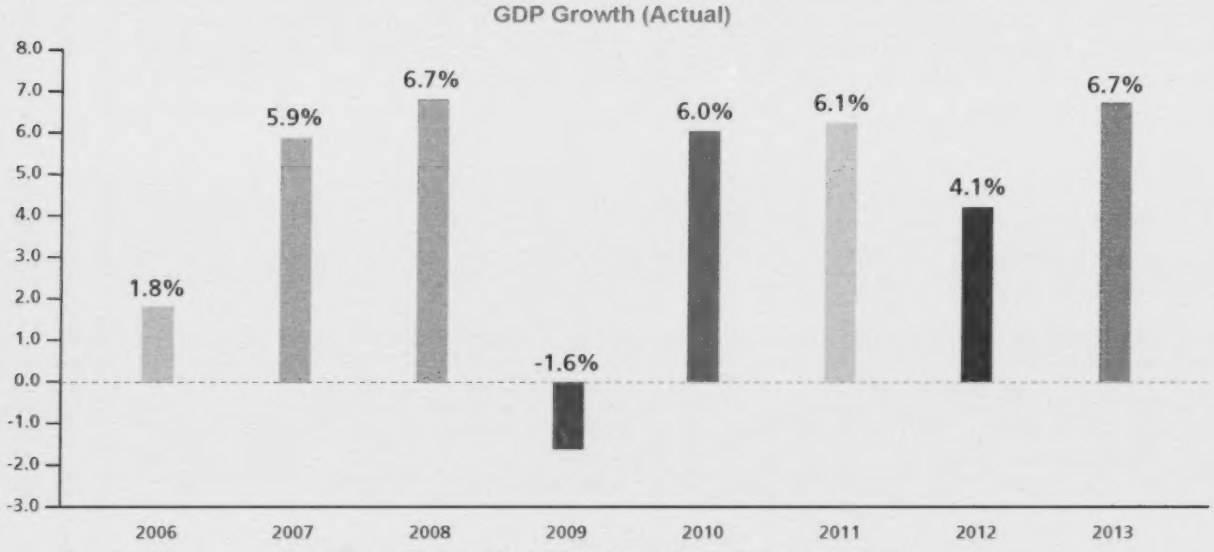
- wages and benefits
- professional and contracted services
- construction materials and commodities
- capital and equipment purchases
- utilities
- land costs
- debt service charges

An MPI for the City of Saskatoon has been calculated to be used for future budgeting benchmarks and will be reviewed annually.

Gross Domestic Product (GDP)

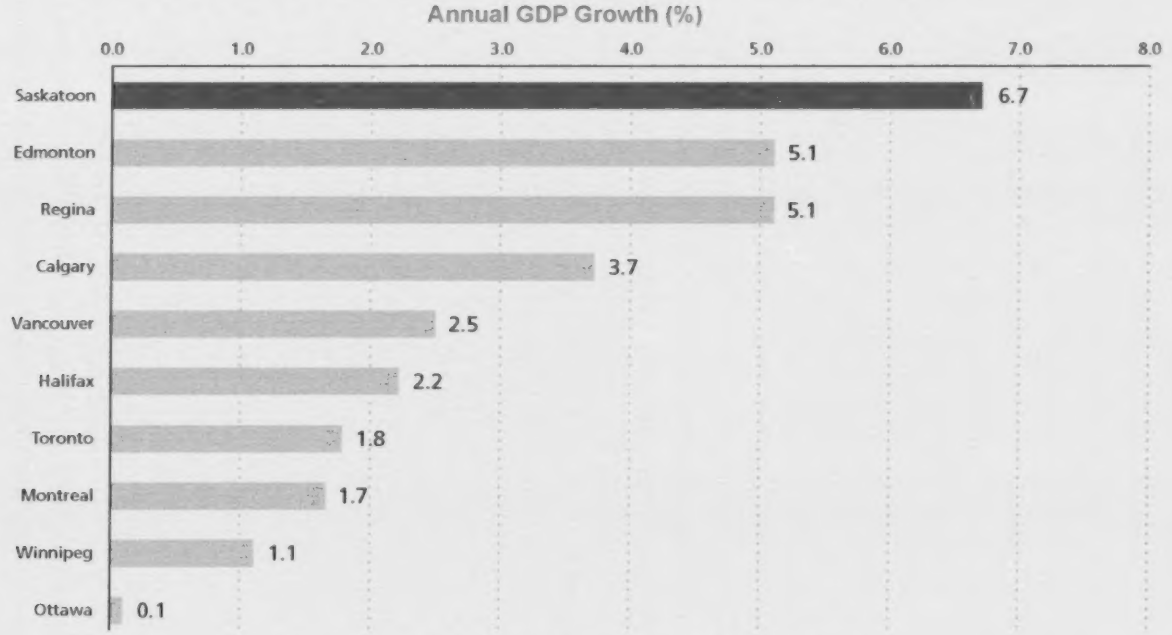
In Canada, and throughout the world, economic output is measured by GDP. GDP is the value of all goods and services produced in a country in a calendar year. The gross domestic product includes only final goods and services, not goods and services used to make another product. Changes in the GDP are an indication of economic output.

Saskatoon's economy expanded by 6.7% in 2013, the fastest since 2008. At the end of 2013, Saskatoon's GDP value was $16.4 billion. This represents approximately 29% of Saskatchewan's total GDP. In 2013, a one percentage point increase in Saskatoon's GDP adds approximately $157 million in value to the Saskatoon economy.



Source: Conference Board of Canada: Metropolitan Outlook Spring 2014

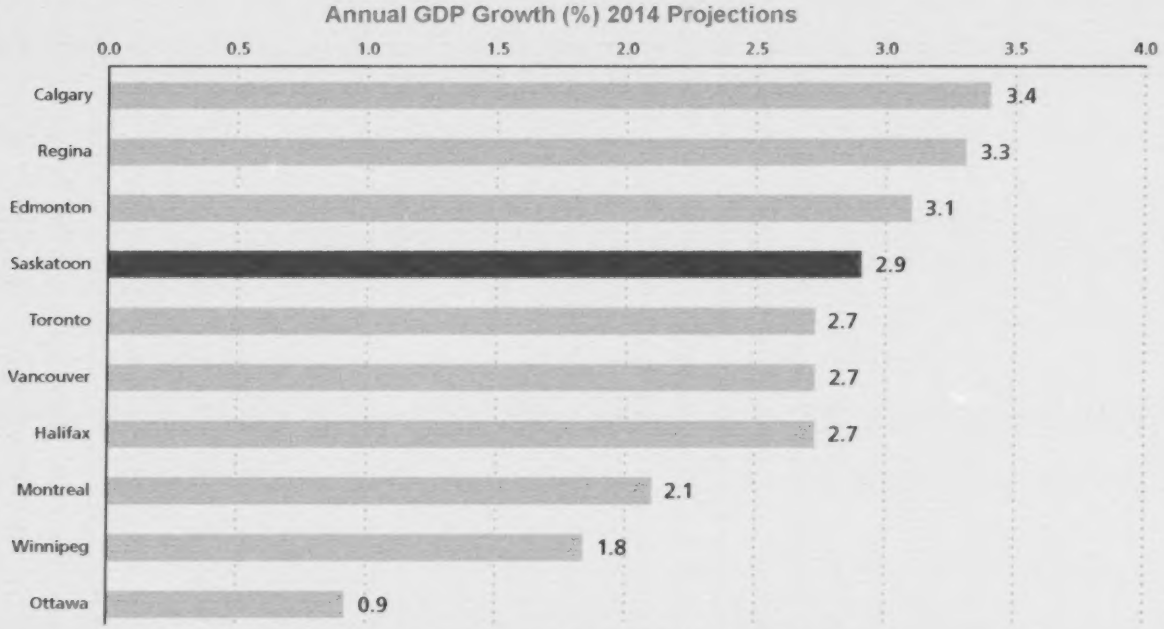
In 2013, Saskatoon led the nation - by a significant margin - in GDP growth among all major cities.



Source: Conference Board of Canada: Metropolitan Outlook Spring 2014

ISSUES AND TRENDS

For 2014, the Conference Board of Canada is projecting that Saskatoon's GDP growth will moderate to just below 3%. This lower projection is a result of potential labour shortages and downturn in the resources sector, particularly, the Potash Industry.

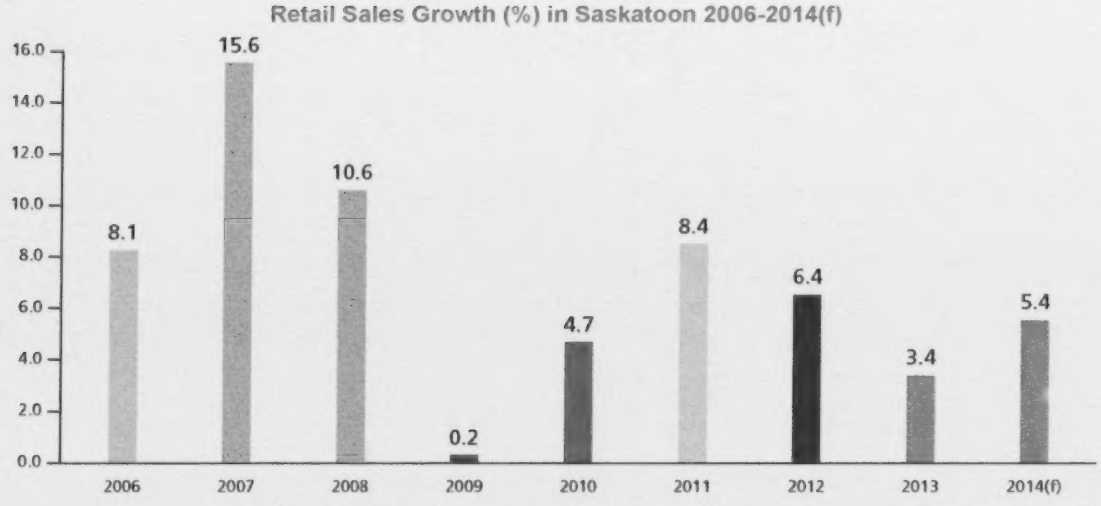


Source: Conference Board of Canada: Metropolitan Outlook Spring 2014

Retail Sales

Saskatoon is expected to see positive retail sales growth. Retail sales information provides a measure of the health and performance of the retail trade sector. As an important industry in the Canadian economy, governments are able to better determine the overall health of the economy and understand the important role that retailers have in the economy.

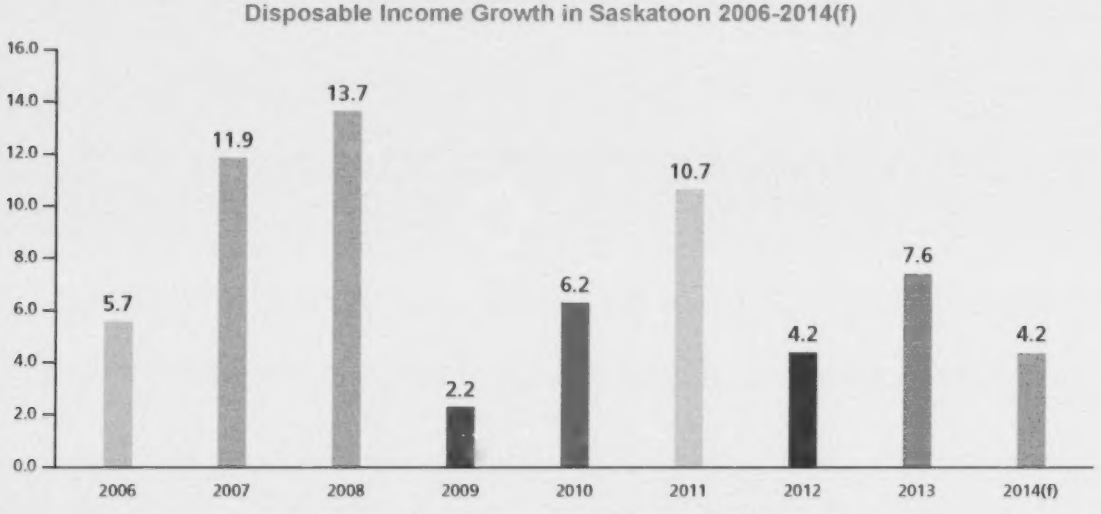
In 2013, growth in Saskatoon's retail sales slowed to 3.4%, despite its booming economy. The total value of retail sales in 2013 was just over $6.4 billion. This represents about 35.2 % of total retail sales in Saskatchewan. However, for 2014, the Conference Board of Canada is predicting that retail sales grow by a more robust 5.4%.



Source: Conference Board of Canada: Metropolitan Outlook Spring 2014

Disposable Income

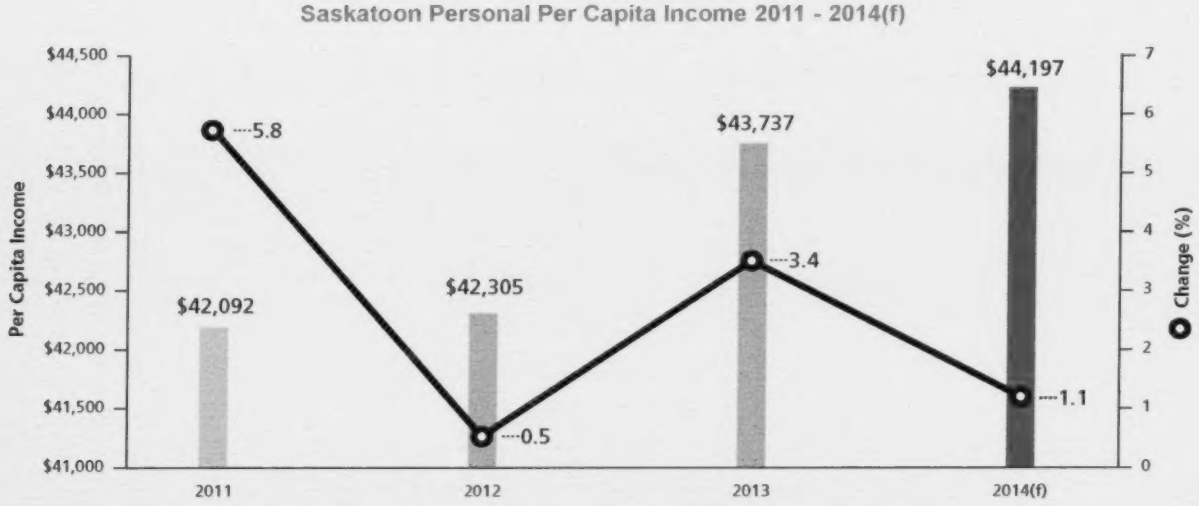
Disposable income is the amount of individual income remaining after all federal and provincial income and payroll taxes are collected. It does not include municipal property taxes and/or utility fees. Positive disposable income growth means that individuals have more income to purchase goods and services, which is good for the economy. With the exception of 2009, Saskatoon has seen strong disposable income gains over the last eight years.



Source: Conference Board of Canada: Metropolitan Outlook Spring 2014

This graph shows both the per capita income levels and the annual growth in per capita income for Saskatoon. In 2013, Saskatoon's per capita income grew by 3.4% over the previous year, resulting in a per capita income level of $43,737. In 2014, the Conference Board of Canada is projecting minimal growth in per capita income, largely due to more modest wage increases.

ISSUES AND TRENDS



Source: Conference Board of Canada: Metropolitan Outlook Spring 2014

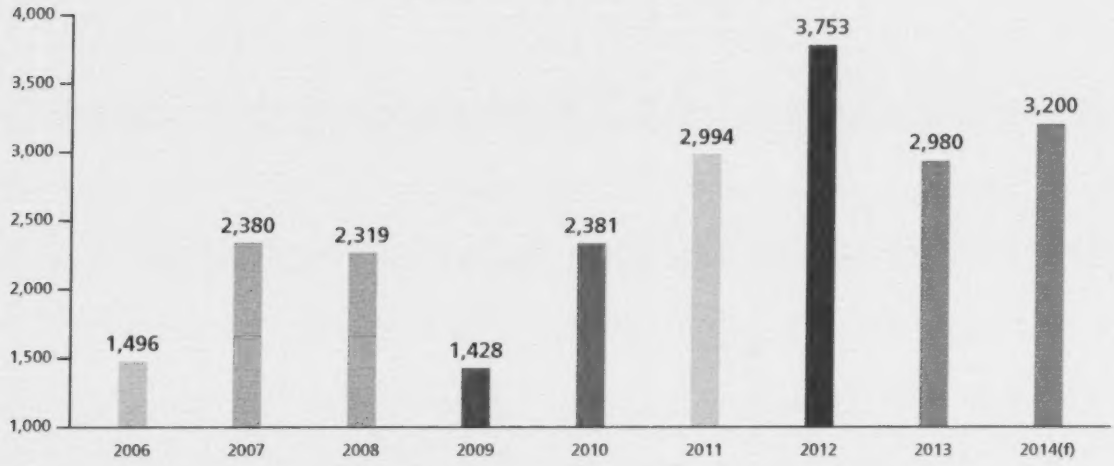
Housing Sales versus Price Increases

Housing sales have remained strong in Saskatoon since 2011, hovering around 5,100 each year. Housing sales to the end of August 2013 were virtually on par with levels from a year ago; it is expected that existing home sales totaled 5,543 units in 2013. A slightly higher level of 5,700 sales is projected for next year.

Source: CMHC - Housing Market Outlook

In 2013, Housing Starts in Saskatoon fell to 2,980 units from a record high of 3,753 units in 2012. The Conference Board of Canada suggests that this drop in housing starts occurred because the 2012 results were unsustainable on an annual basis. That said, they are projecting that Saskatoon's housing starts will reach 3,200 units in 2014, which will be only the second time in recent history that housing starts will rise above 3,000 units in a single year.

Saskatoon Housing Starts 2006-2014(f)

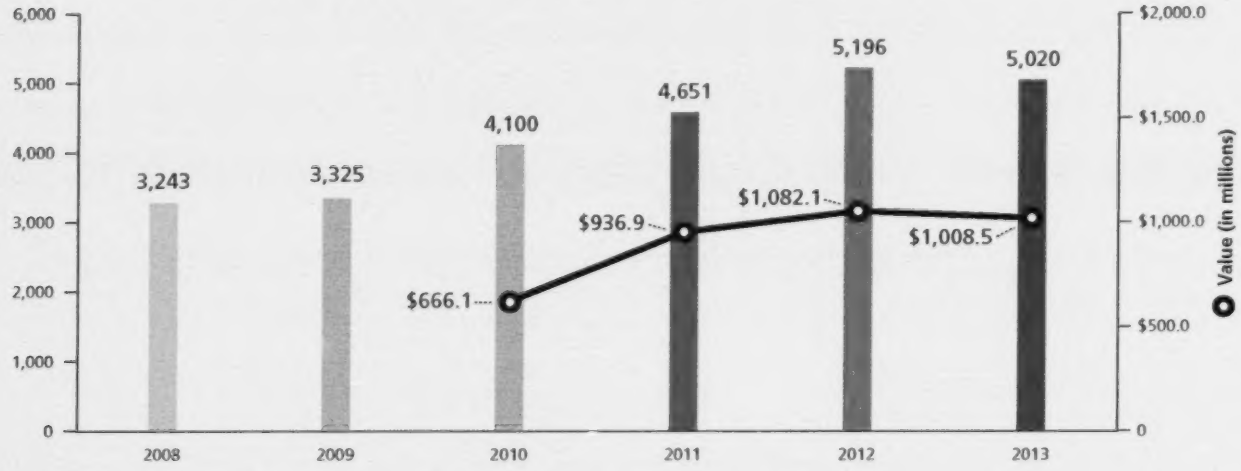


Source: Conference Board of Canada: Metropolitan Outlook Spring 2014

Building Permits

For cities, a good indicator of economic activity is the number of building permits issued each year. In 2013, the City of Saskatoon issued more than 5,000 building permits, once again, breaking all previous records. The value of the building permits issued in 2013 was $1,088,500,000.

Building Permits Issued by the City of Saskatoon 2008-2013



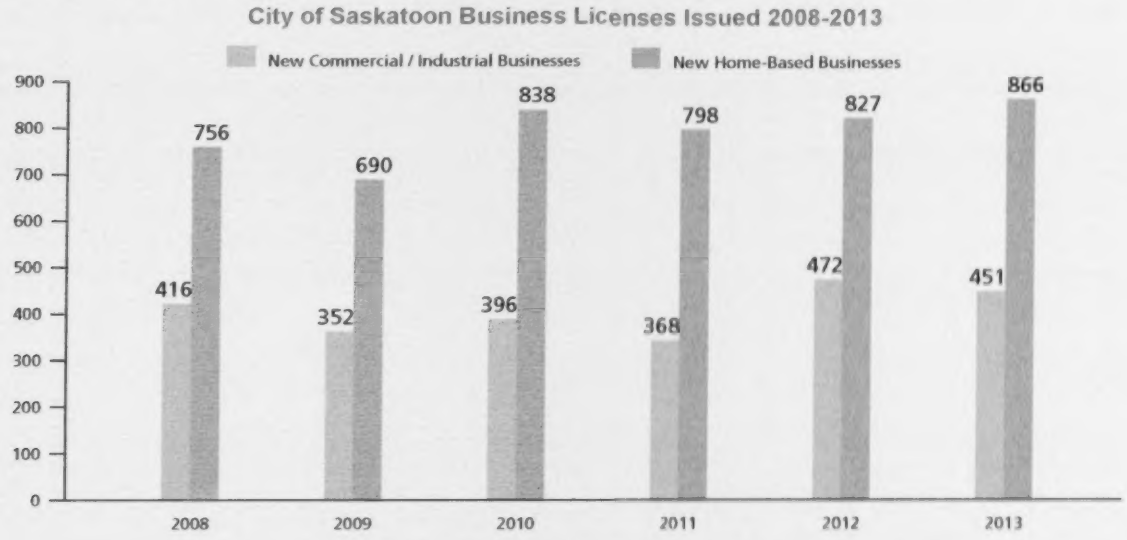
Source: City of Saskatoon, Building Standards Branch

In 2013, construction activity in Saskatoon continued the record setting trend of 2012. Building Permits issued for new and improvements to residential construction projects made up approximately 80% of all building permits issued in 2013 and approximately 60% of the construction value. Residential category includes apartments, condominiums, student housing, town houses, one and two unit dwellings, residential detached garages, etc.

ISSUES AND TRENDS

Business Licenses

In 2013, the City issued 1,317 new business licenses (451 commercial, and 866 home-based). New business creation continues to be strong in the city, reinforcing job growth and strong economic activity.



Source: City of Saskatoon, Business License Program, "Business Profile - Annual Report 2013"

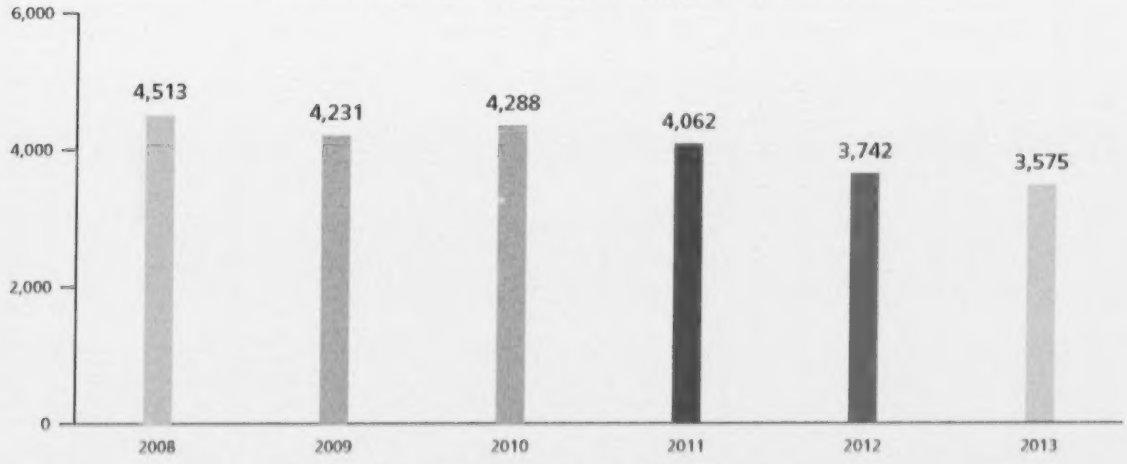
Social Trends and Issues

While population and various economic growth indicators are important in determining the level of economic activity in Saskatoon, the City of Saskatoon also realizes that these are not the only factors that have an impact on the programs and services that the City provides to its citizens. Civic programs contribute to the overall quality of life experienced by citizens by providing safety services, infrastructure, and recreational activities.

Crime and Public Safety

The City of Saskatoon has increased the police budget in recent years to support the Saskatoon Police Service in reducing crime in the community. Support for the Saskatoon Police Service by the City of Saskatoon and the Board of Police Commissioners continues to show a good return on investment. The "perception" of crime continues to improve among residents. The perception is supported by the data collected and shown in the following graphs.

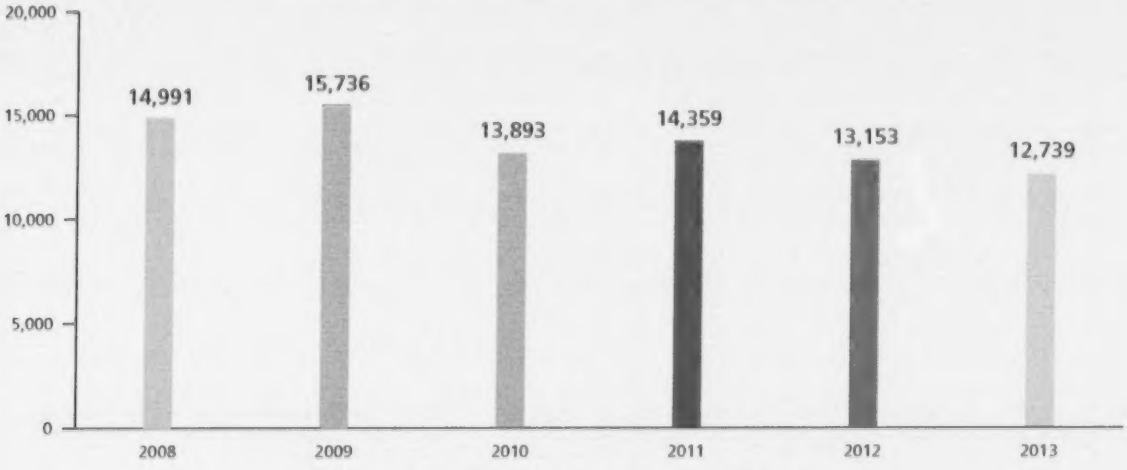
Crimes Against the Person in Saskatoon 2008-2013



Source: Saskatoon Police Service - Year End Summary Report 2013

Crimes against the person, or violent crime, decreased by 4.52 % in 2013 from the year before. Similarly, property crime also decreased, by 3.2% in 2013.

Crimes Against Property in Saskatoon 2008-2013

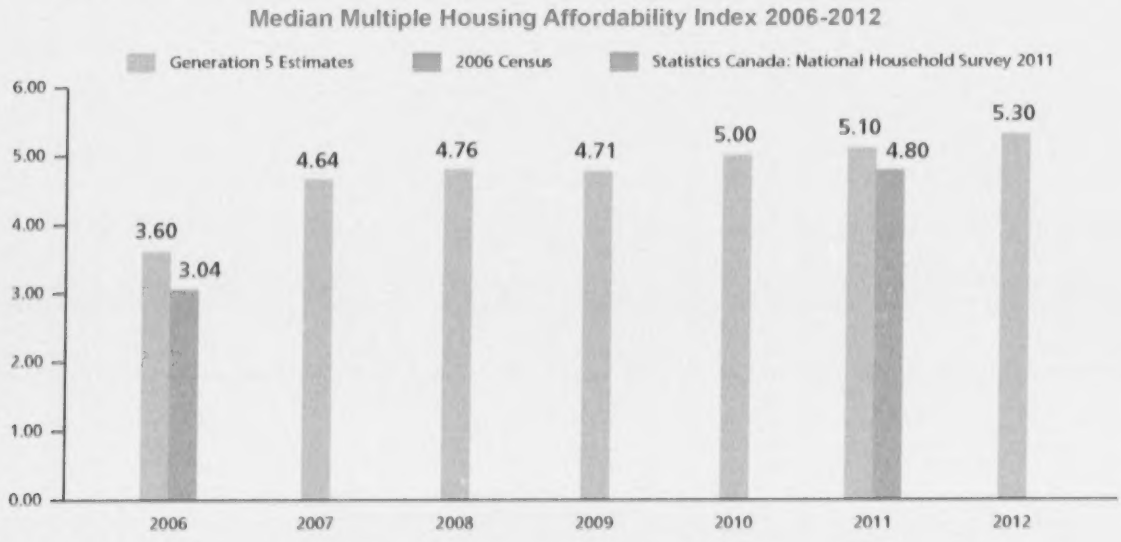


Source: Saskatoon Police Service - Year End Summary Report 2013

ISSUES AND TRENDS

Housing Affordability

Housing prices continue to increase. Since 2006, as shown in the following chart, the median price of a home has grown faster than the median income, resulting in an erosion of housing affordability. The Median Multiple is a measure of affordability. It is the ratio of the median income to median house price. The following chart can be read as "in 2012, the median house price was 5.30 times the median income".



Source: Statistics Canada, G5, and City of Saskatoon

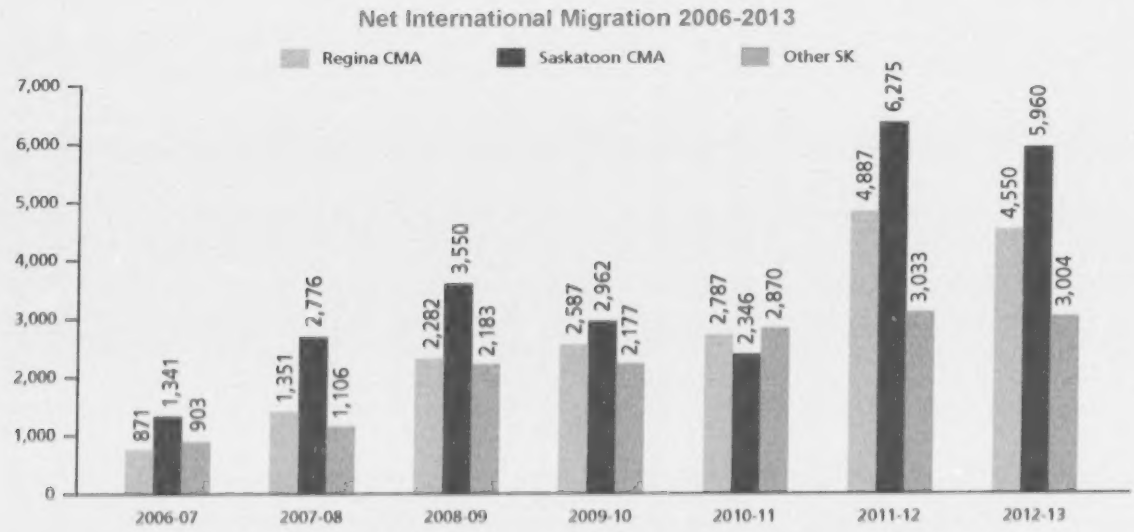
Note: Historically, an index value of 3.0 has been considered to be "affordable"

Although housing is not a traditional responsibility of the City of Saskatoon, the City is aware of the impacts that the lack of affordable housing has on individuals, families, the economy, and the community. As a result, the City of Saskatoon has adopted an innovative Housing Business Plan to help encourage the building of more affordable housing in the city. This Business Plan seeks to define where the City can be more effective in serving the community to meet the pressing need for affordable and entry-level housing.

Immigration Trends

The number of newcomers to Saskatchewan has increased significantly in recent years. According to Statistics Canada Annual estimates, Saskatchewan's net international migration has increased approximately 330% since 2006. Based on the 2012-2013 Statistics Canada Annual estimates, Saskatoon's CMA continues to attract the majority of international migration.

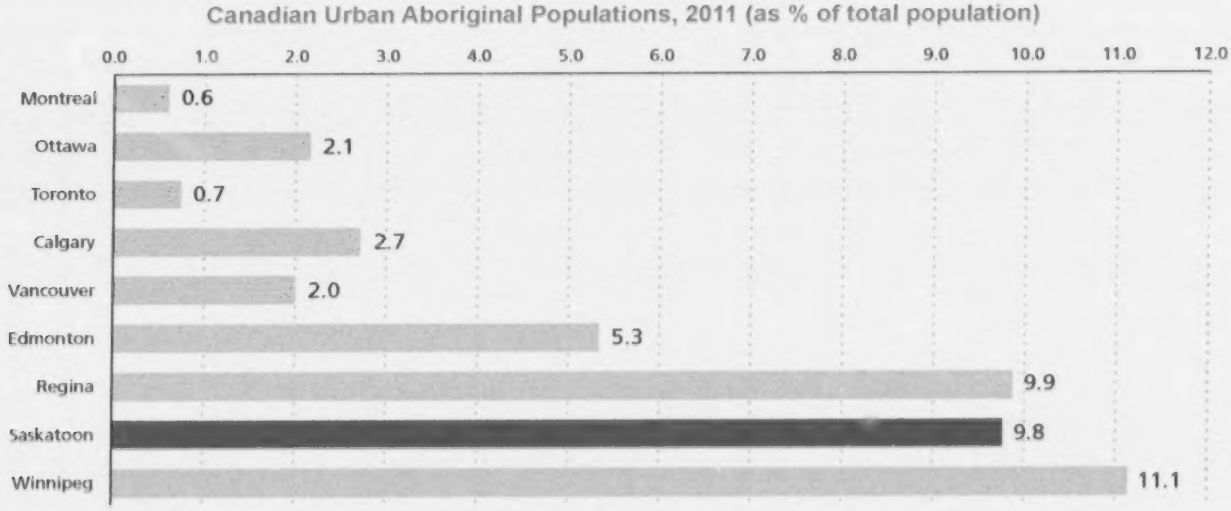
As Saskatoon's economy continues to grow, the City anticipates that more and more new newcomers will be moving to Saskatoon. Although immigration is a federal and provincial responsibility, the City of Saskatoon does play a role in providing support services to newcomers. The following graph suggests that almost 6,000 newcomers reside in the Saskatoon CMA - an estimated increase of 344% since 2006.



Sources: Statistics Canada, Annual Demographic Estimates: Subprovincial Areas 2006 to 2013
Statistics Canada, Annual Demographic Estimates: Canada, Provinces and Territories, 2013

Urban Aboriginal Population

The Aboriginal population is growing at a faster rate than the total population, due in part to a birth rate about 1.5 times the national average, and increasing numbers of people identifying themselves as Aboriginal. First Nations people comprise the majority (60%) of the Aboriginal population.



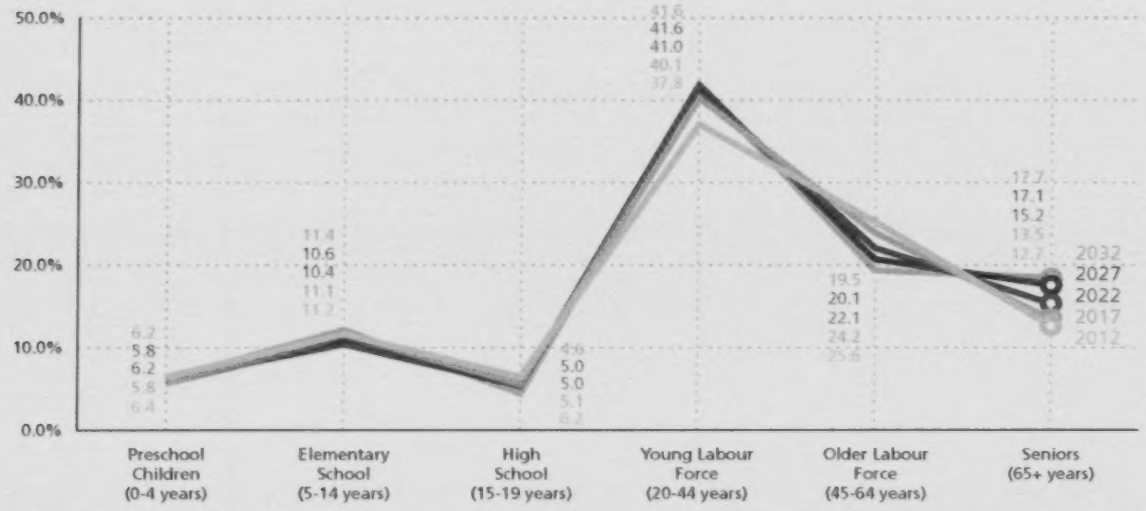
Source: Statistics Canada: National Household Survey 2011

ISSUES AND TRENDS

Aging Population

According to Statistics Canada, Saskatoon had the youngest median age of any CMA in 2013 at 34.9 years. This compares to Canada's median age at 39.9. The aging of Saskatoon's population over the next 15 years will see the proportion of the population of labour force age (15-64) fall from 64.4% currently to 61.3% in 2026, and the seniors proportion rise from 11.4% to 15%.

Saskatoon: Age Demographic as % of Total Population, 2012-2032

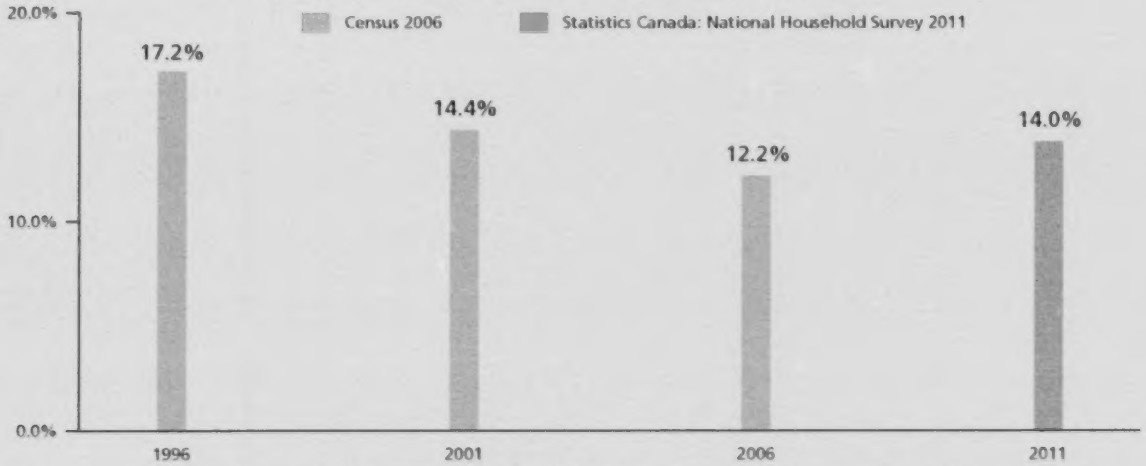


Source: City of Saskatoon & Saskatoon Census Metropolitan Area Population Projection 2012-2032 (Using Medium (2.5%) Growth Model)

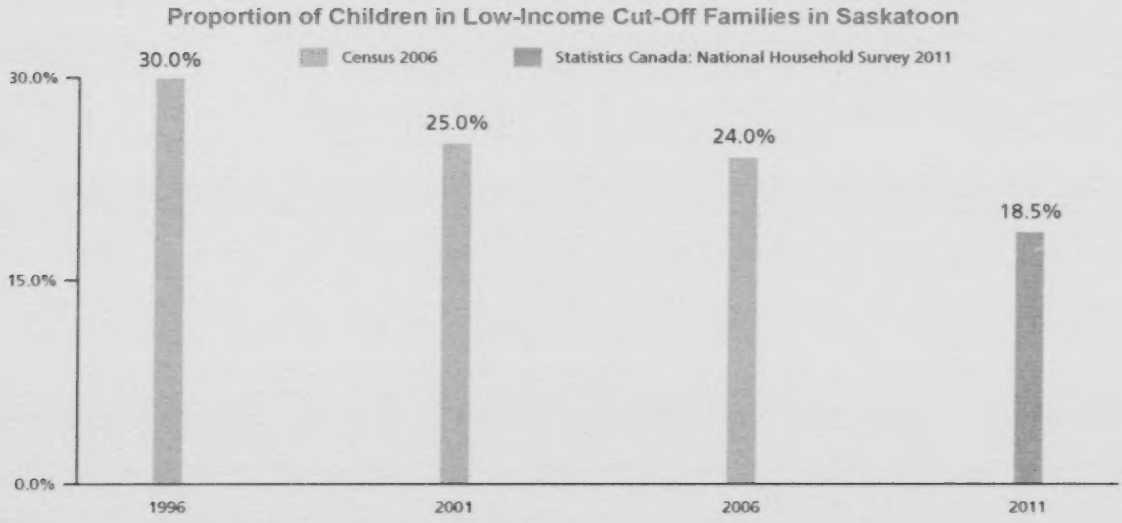
Low-Income Saskatonians

In Saskatoon, the number of low-income families dropped between 1991 and 2011. Nonetheless, close to one in five children in Saskatoon lives in poverty.

Incidence of Low-Income Among Saskatoon Families



Source: Statistics Canada, Census 1996-2006; Statistics Canada: National Household Survey 2011



Source: Statistics Canada, Census 1996-2006; Statistics Canada: National Household Survey 2011

Income distribution and support programs for low-income persons are not deemed to be a traditional role or responsibility for municipal governments. However, the City of Saskatoon does provide various programs to help low-income individuals and families access key programs and services. For example, the City offers low-income transit and recreation passes to ensure that low-income residents can have access to these important services. For low-income seniors that qualify, the City also offers the *Property Tax Deferral Program for Low-Income Senior Citizen Homeowners*.

Environmental Trends and Issues

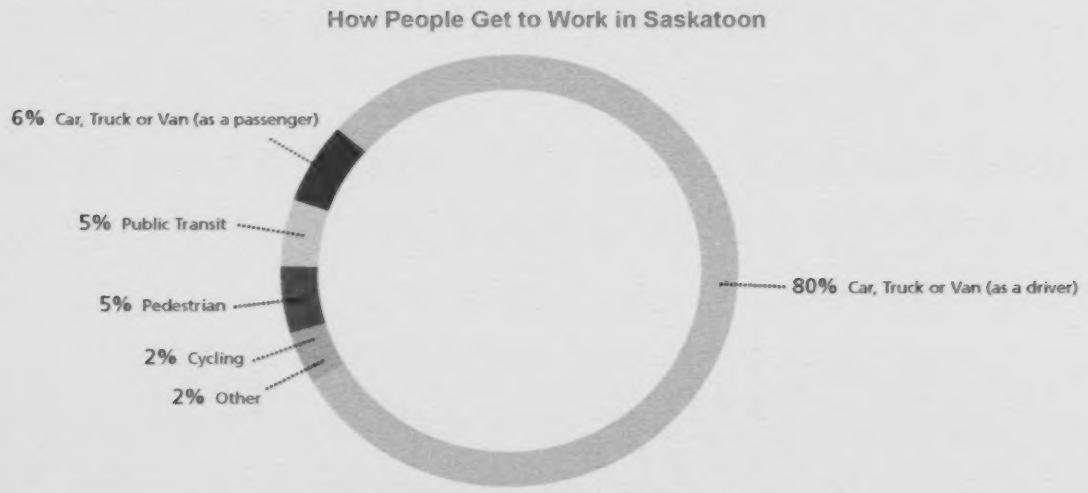
The citizens of Saskatoon value a healthy environment, including parks and open spaces, clean air, and safe drinking water. But as the city continues to grow, there are corresponding pressures on these resources. The City finds ways to address the pressures of:

- increasing park usage
- increasing water consumption
- rising greenhouse gas emissions
- more waste generation
- more absorption of available land to accommodate new industrial and residential developments

Modes of Transportation

Like most Canadian cities, the primary mode of transportation for Saskatoon commuters is the personal vehicle. The following chart shows that 86% of commuters use the automobile, as drivers or passengers, as their primary mode of transportation.

ISSUES AND TRENDS


How People Get to Work in Saskatoon
6% Car, Truck or Van (as a passenger)
5% Public Transit
5% Pedestrian
2% Cycling
2% Other
80% Car, Truck or Van (as a driver)

Source: Statistics Canada: National Household Survey 2011

This reliance on the automobile obviously creates not only pressures on the environment, but it also creates pressures on the City's transportation costs, both capital and operating.

Public Transit Ridership

It is well documented that increased usage of public transit has a positive impact on the environment, as it helps to reduce the amount of greenhouse gas emissions produced in a particular community. According to Transport Canada, public transit offers many benefits:

- It offers the potential to reduce greenhouse gas emissions and smog in urban areas by improving services and offering Canadians greater flexibility in their transportation options.
- Investments make public transit more attractive and can induce a shift from auto travel to more fuel-efficient and cost-effective transit.
- Increased use of public transit can lead to a reduction of congestion levels, further improving energy use and air quality.

In order to realize these benefits, the City of Saskatoon will continue working to make transit a more convenient and reliable transportation option in 2014 and beyond.

Despite the reliance on the automobile in Saskatoon, transit ridership has been steadily increasing in Saskatoon. A number of initiatives are planned to make taking the bus more attractive. In 2013 Saskatoon Transit introduced 'Direct' routes, an express service to get people from outer lying neighbourhoods to their destination quickly and conveniently and in 2014 GPS capability will be installed in the entire fleet meaning citizens and visitors will be able to track their bus online in real time. The trip planning software will also get a complete overhaul with this upgrade. In addition, the Transit Bus Eco-pass program gained further interest in 2013 as seven new businesses signed on to the program. This program provides employers with a discounted bus pass for their employees, and the cost is shared between Saskatoon Transit and the employer.

In 2013, Saskatoon Transit had actual ridership based on electronic fare box data of 9,406,908 rides and estimated ridership of 13,188,586.

Source: Saskatoon Transit

Actual ridership is the total number of rides measured using the electronic fare box system installed on all Transit buses. Estimated ridership is calculated by multiplying pass sales with an average of rides per pass and is reported for historical comparison purposes.

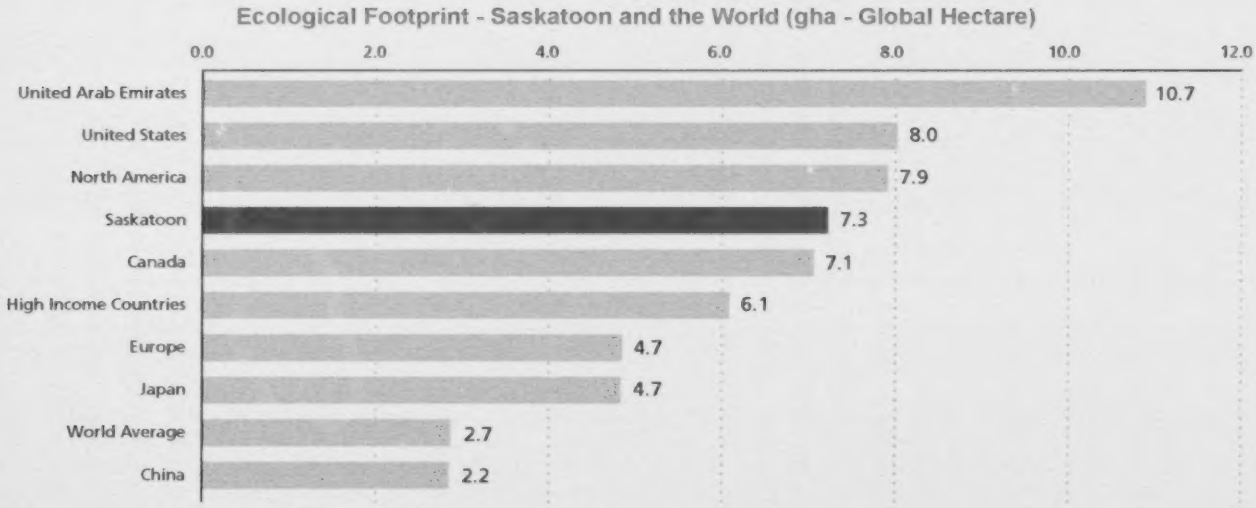
Ecological Footprint

As a city grows, it needs to acquire more land to accommodate new businesses and residents. However, the expanding geographic size of a city increases its ecological footprint. The Federation of Canadian Municipalities (FCM) defines an ecological footprint as:

> ***"...a measure of the demands humans place on nature. It shows how much biologically productive land and water we occupy to produce all the resources we consume and to absorb our waste. By measuring the present footprint, and then calculating the footprints for various household lifestyle or government policy options, more efficient ways of meeting human needs can be evaluated and implemented."***

According to FCM's 2006 analysis of ecological footprints of major Canadian cities and regions, Calgary and Edmonton had the highest municipal footprints. Saskatoon was on par with the national average. A growing ecological footprint obviously has an impact on environmental sustainability and increases the amount of greenhouse gas emissions produced in a community.

ISSUES AND TRENDS



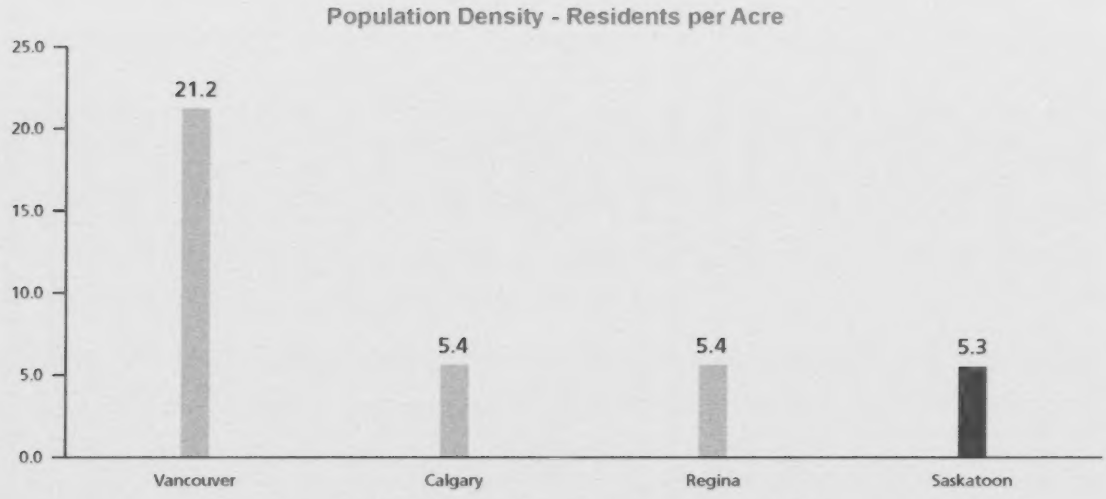
Source: City of Saskatoon Ecological Footprint Analysis, 2011

Population Density

One important way that cities can reduce their ecological footprints is by achieving greater population density targets. Population density is typically defined as the number of persons per square kilometre in a particular geographic area. Saskatoon has a low population density when compared with other major cities.

Contributing to this low density is the fact that Saskatoon added a substantial amount of land (40 square kilometres) in a large annexation in 2010. This new land is expected to allow the City to grow to a population of 500,000. In addition, with the development of higher density targets in new neighbourhoods and new infill development in more established neighbourhoods, this number will undoubtedly improve in future years.

Another factor contributing to Saskatoon's low population density is the fact that the University of Saskatchewan and Agriculture Canada each hold a large amount of agricultural land inside city limits. The University of Saskatchewan has indicated that they want to release over 1,000 acres of land for urban development in the near future - when this happens, our overall average density will increase. The City's Official Community Plan states a density target of 7.0 units per acre.



Source: Based on Statistics Canada, Census 2011 Population Figures

Waste Diversion

The City of Saskatoon's waste diversion initiatives direct materials that have value or purpose away from our Landfill, thereby reducing the environmental effects of landfilled waste and extending the life of the current Landfill. Options for waste diversion include recycling, composting, household hazardous waste collection and opportunities to reuse materials through various community initiatives.

Currently, the waste diversion rate for Saskatoon is 39%, with the City diverting over 75,000 tonnes of materials from the Landfill through the programs highlighted in the table below. This number is expected to increase substantially in future years, as the City continues to expand, develop, and communicate waste diversion strategies and programs.

Organics and Recycling Trends - Municipal Programs Only 2009-2013

Source	2009	2010	2011	2012	2013
Compost Depot	16,182	25,231	19,647	18,028	21,088
Curbside Recycling (Single Family)	-	-	-	-	8,040
Green Cart Program	530	748	840	995	832
Public Space Recycling	-	-	-	13	14
Recycling Depots (fiber)	7,222	7,768	7,239	6,557	3,773
Household Hazardous Waste Collection Days	-	-	-	40	52
Clean Fill	42,501	53,745	38,274	29,178	42,189
TOTAL (tonnes)	66,435	87,492	66,000	54,811	75,988

Source: City of Saskatoon

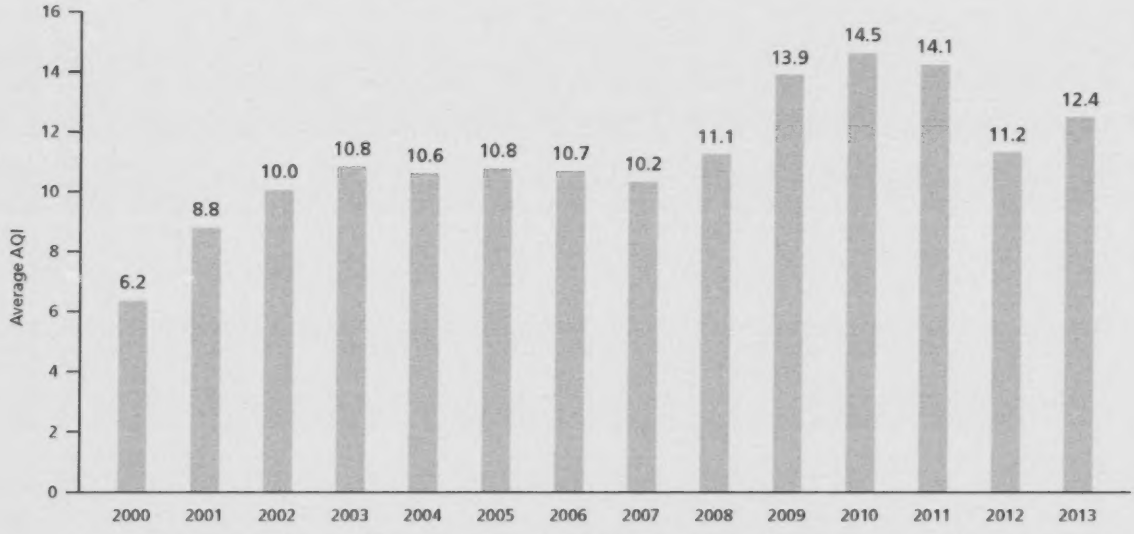
ISSUES AND TRENDS

Air Quality

Poor air quality has been linked to a number of health concerns ranging from eye and nose irritation to severe respiratory problems, as well as environmental issues such as smog and acid rain. We are fortunate to have favourable local features that contribute to relatively good air quality; however, there are many sources of air pollution in the Saskatoon region that do impact the quality of our air including: power generation, transportation, industry, and chemical pesticide applications.

Air quality is monitored by the Ministry of Environment using the Air Quality Index (AQI), which assigns air quality rankings from Good (0-25) to Very Poor (>100). The AQI considers a number of air pollutants including carbon monoxide, fine particulate matter, nitrogen dioxide, ground-level ozone, and sulphur dioxide. Saskatoon's average air quality is ranked as *Good* by the AQI.

Historical Air Quality Index (AQI) Measures in Saskatoon

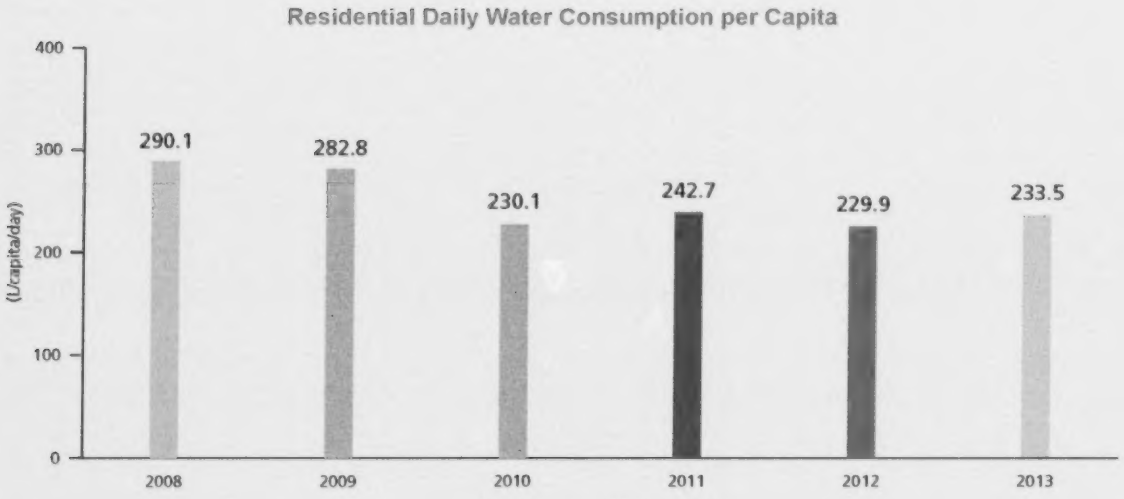


Source: Government of Saskatchewan, Current and Historical Air Quality Data

Daily Water Consumption

Another key environmental trend is the amount of water consumed in a community. Treatment and distribution of water require huge inputs of energy, corresponding to greenhouse gas emissions. These impacts, in addition to the demands on the City's water and wastewater infrastructure, are significant. In response, the City launched its 'Be Water Wise' campaign in 2013, as an educational tool to conserve water use by the residential sector.

Total water sales in 2013 were 36.8 million cubic metres, slightly above the five-year average of 36.0 million cubic metres. However, water use is sensitive to weather conditions, with years of relatively high precipitation rates (such as 2012) corresponding to reductions in water used for residential and commercial irrigation.



Source: City of Saskatoon

2014 Input by the Citizens of Saskatoon

In order to ensure that the City of Saskatoon is dedicating its resources to the programs and services that citizens want, the City actively seeks input from the people it serves. One method the City utilizes to accomplish this is by conducting a formal, random survey of its citizens.

In the spring of 2014, the City of Saskatoon engaged Insightrix Research Inc. to conduct an annual Civic Services Survey. Between May 20th and June 3rd, 2014 a total of 500 randomly selected households participated in the survey via telephone, and 801 respondents participated online.

The primary purpose of this survey was to gauge the opinion of the citizens of Saskatoon on a variety of issues including their perceptions about the quality of life in our city, and the various types and levels of service they receive from the City of Saskatoon. The survey results assist the Administration and City Council in making key budgetary and public policy decisions about the types and levels of services that the City of Saskatoon provides to its residents. The key results from this survey are as follows.

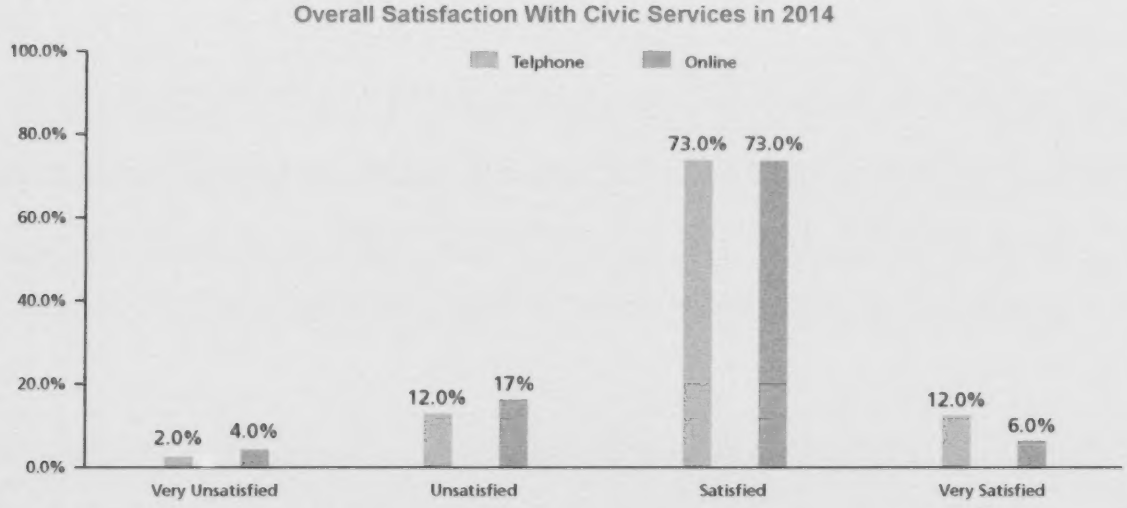
Current Perceived Quality of Life in 2014

Perceptions of the quality of life in Saskatoon remain positive: 86% of both online and telephone respondents believe that the quality of life in the city is good or very good. There was a slight decline from last year among telephone respondents (down four percentage points) while perceptions among online respondents stayed the same as last year. Roughly one in ten rates the quality of life in Saskatoon as fair, and few rate it as poor or very poor.

ISSUES AND TRENDS

Overall Satisfaction With Civic Services in 2014

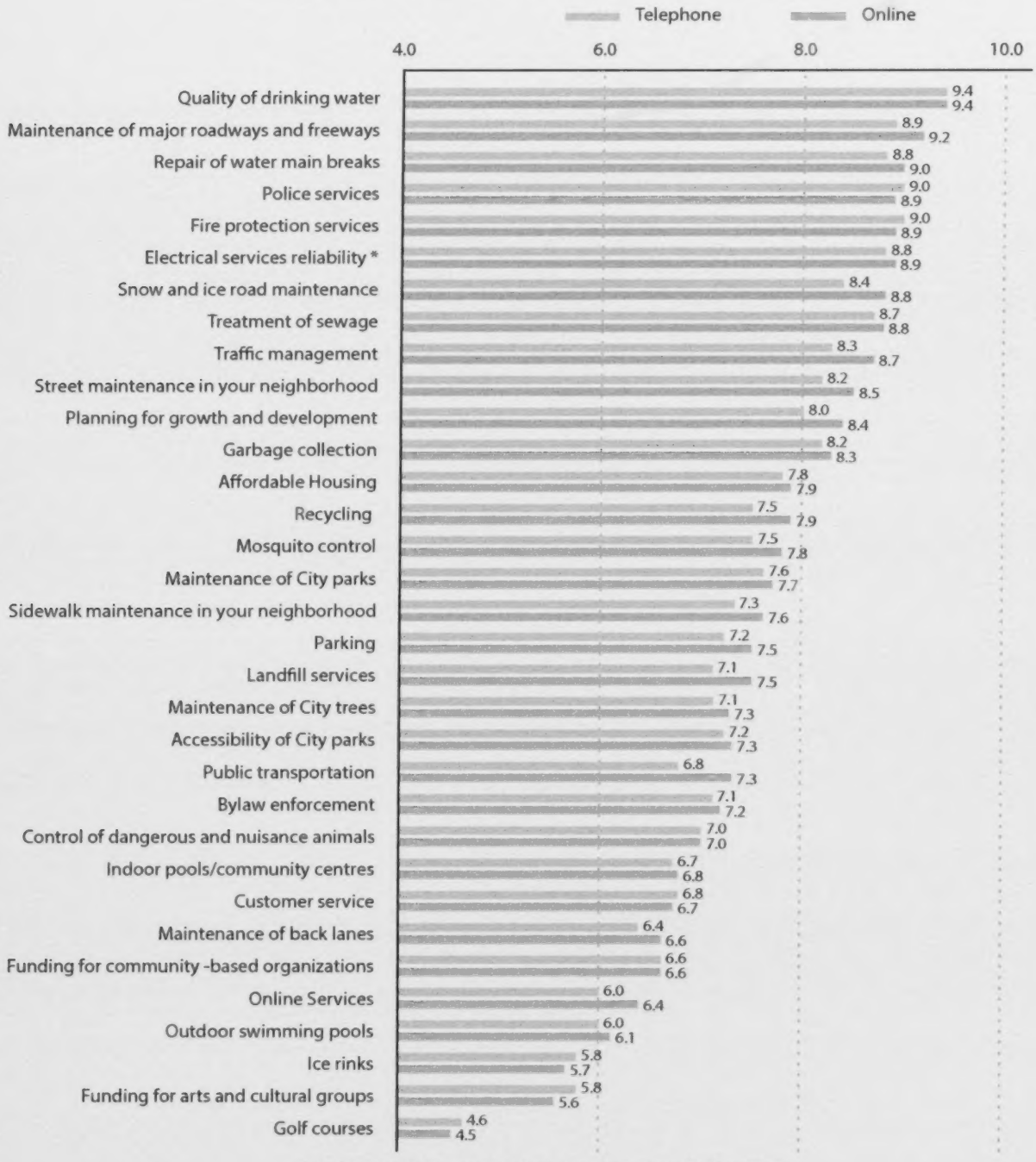
Satisfaction with the overall level of civic services provided by the City in 2014 has improved: 86% of telephone respondents are satisfied or very satisfied (up from 83% in 2013) and 79% of online respondents are satisfied or very satisfied (up from 73% in 2013).



Importance of Specific Civic Services in 2014

Saskatoon residents were asked to rate the importance of a wide range of civic services offered by the City as well as the City's performance of delivering these services. A ten-point scale is used where 1 means not at all important and 10 means very important. Average ratings on the ten point scale are shown on the subsequent graph. The civic services that residents deem most important include the following: road maintenance, repair of water main breaks, snow and ice maintenance, traffic management, planning for growth and development, quality of drinking water, fire protection, treatment of sewage, and police services.

The Most Important Civic Services to the Residents of Saskatoon in 2014

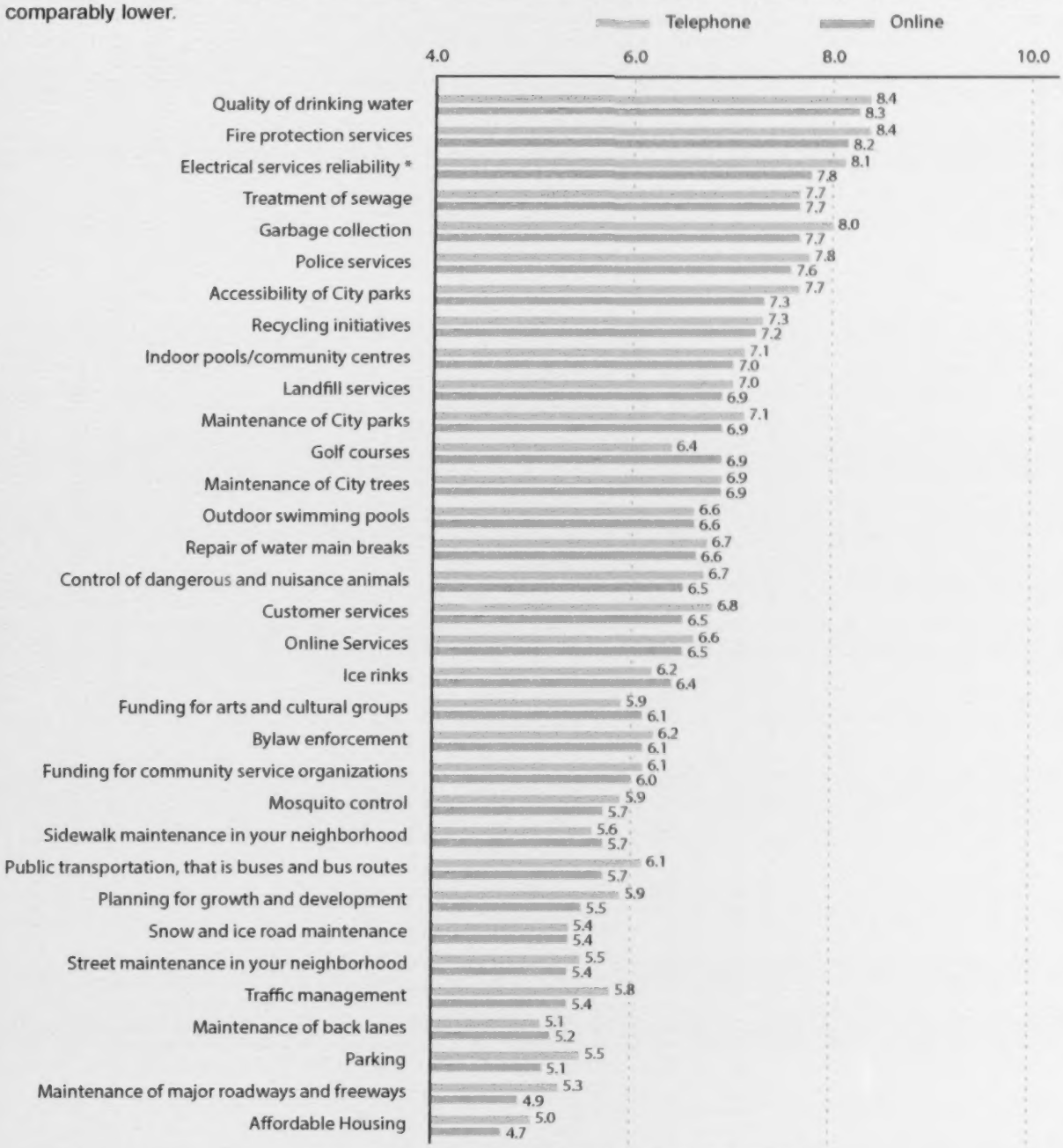

Telephone
Online
4.0
6.0
8.0
10.0
Quality of drinking water 9.4 9.4
Maintenance of major roadways and freeways 8.9 9.2
Repair of water main breaks 8.8 9.0
Police services 9.0 8.9
Fire protection services 9.0 8.9
Electrical services reliability * 8.8 8.9
Snow and ice road maintenance 8.4 8.8
Treatment of sewage 8.7 8.8
Traffic management 8.3 8.7
Street maintenance in your neighborhood 8.2 8.5
Planning for growth and development 8.0 8.4
Garbage collection 8.2 8.3
Affordable Housing 7.8 7.9
Recycling 7.5 7.9
Mosquito control 7.5 7.8
Maintenance of City parks 7.6 7.7
Sidewalk maintenance in your neighborhood 7.3 7.6
Parking 7.2 7.5
Landfill services 7.1 7.5
Maintenance of City trees 7.1 7.3
Accessibility of City parks 7.2 7.3
Public transportation 6.8 7.3
Bylaw enforcement 7.1 7.2
Control of dangerous and nuisance animals 7.0 7.0
Indoor pools/community centres 6.7 6.8
Customer service 6.8 6.7
Maintenance of back lanes 6.4 6.6
Funding for community -based organizations 6.6 6.6
Online Services 6.0 6.4
Outdoor swimming pools 6.0 6.1
Ice rinks 5.8 5.7
Funding for arts and cultural groups 5.8 5.6
Golf courses 4.6 4.5

Exclude households that have SaskPower as their electricity provider.

ISSUES AND TRENDS

Assessment of City's Performance Delivering Civic Services in 2014

Residents were also asked to rate the City's performance on a ten-point scale where 1 means very poor performance and 10 means excellent performance. Quality of drinking water, electrical services reliability, and sewage treatment are transportation and utility services with which citizens are most satisfied. Satisfaction with other civic services is comparably lower.


Telephone
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4.0
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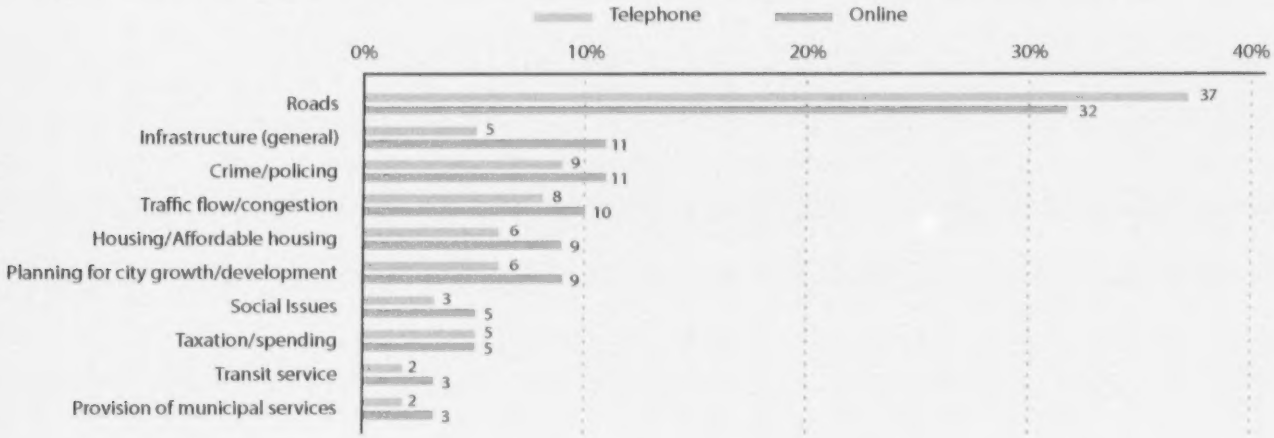
8.0
10.0
Quality of drinking water 8.4 8.3
Fire protection services 8.4 8.2
Electrical services reliability * 8.1 7.8
Treatment of sewage 7.7 7.7
Garbage collection 8.0 7.7
Police services 7.8 7.6
Accessibility of City parks 7.7 7.3
Recycling initiatives 7.3 7.2
Indoor pools/community centres 7.1 7.0
Landfill services 7.0 6.9
Maintenance of City parks 7.1 6.9
Golf courses 6.4 6.9
Maintenance of City trees 6.9 6.9
Outdoor swimming pools 6.6 6.6
Repair of water main breaks 6.7 6.6
Control of dangerous and nuisance animals 6.7 6.5
Customer services 6.8 6.5
Online Services 6.6 6.5
Ice rinks 6.2 6.4
Funding for arts and cultural groups 5.9 6.1
Bylaw enforcement 6.2 6.1
Funding for community service organizations 6.1 6.0
Mosquito control 5.9 5.7
Sidewalk maintenance in your neighborhood 5.6 5.7
Public transportation, that is buses and bus routes 6.1 5.7
Planning for growth and development 5.9 5.5
Snow and ice road maintenance 5.4 5.4
Street maintenance in your neighborhood 5.5 5.4
Traffic management 5.8 5.4
Maintenance of back lanes 5.1 5.2
Parking 5.5 5.1
Maintenance of major roadways and freeways 5.3 4.9
Affordable Housing 5.0 4.7

Exclude households that have SaskPower as their electricity provider.

Most Important Issue Facing Saskatoon in 2014

When asked to name the most important issue facing the City, **roads continue to remain the dominant issue** (37% of telephone respondents and 32% of online respondents). Other common issues that citizens feel need attention include crime and policing, traffic flow, affordable housing, and infrastructure in general. Social issues taxation/spending, transit service, and municipal services are least seen as the most important issue facing the City.

Hot Topic 2014; resident opinions on removing snow from residential streets after being plowed for an additional fee are divided. Specifically, just over one half (56% telephone and 52% online) support paying an $8 fee per month for this service, while four in ten (40% telephone and online) oppose this service.



2015 CORPORATE BUSINESS PLAN

The 2015 Corporate Business Plan and Budget: Sustaining the Saskatoon Advantage includes implementation strategies that are aligned with the 2013-2023 Strategic Plan, to guide investments, projects, and service levels that the City will implement and achieve over the course of 2015. The budget provides the financial plan to support the business plan, which strives to reflect the needs of a growing community.

The 2015 Business Plan and Budgeting Process

The 2015 Corporate Business Plan and Budget is aligned to the City's 2013 - 2023 Strategic Plan, and aims to balance the pressures of the increased costs of maintaining existing services and the requirements of a growing city with available funding and resources. The 2015 Corporate Business Plan and Budget forms the path the City will take over the next year to focus on the major issues and challenges facing the City, while continuing to provide quality services to our citizens.

The Business Plan outlines the achievements, key challenges, major initiatives, and continuous improvement initiatives planned within its business lines which include the following:

- Community Support
- Corporate Asset Management
- Corporate Governance and Finance
- Environmental Health
- Fire Services
- Policing

- Recreation and Culture
- Taxation and General Revenues
- Transportation
- Urban Planning and Development
- Utilities
- Land Development

Note: Saskatoon Public Library is not included.

The City's planning process ensures resources are allocated to various programs and services within these business lines, and that resources are tied to clear and achievable plans. The operating and capital budgets are integrated for effective resource management. The process also provides a framework which allows the City to adapt and respond quickly to changing municipal, provincial, and federal dynamics.

The 10-Year Strategic Plan

Developed with input from the Community Vision, the City's 10-Year Strategic Plan outlines what is important in the near term and where we need to focus our energies. It includes an overarching mission, values, and leadership commitments which define how we do business and how we empower ourselves to embrace change. If there is one certain thing in Saskatoon's future, it is change.

For each of the seven Strategic Goals outlined in the Strategic Plan, implementation strategies are developed through the annual Corporate Business Plan and Budget process to ensure that we are continuously progressing towards achieving the goals. The City will continue to monitor performance as we bring Saskatoon's collective community vision to life.

DID YOU KNOW... more than 10,000 citizens participated in *Saskatoon Speaks* – the Community Visioning process that resulted in the City of Saskatoon's Corporate Vision?

Our Vision

Saskatoon is a great place to live, where sustainable growth enables the community to invest for the benefit of all.

In 2030, Saskatoon is a world class city with a proud history of self-reliance, innovation, stewardship, and cultural diversity. Saskatoon is known globally as a sustainable city loved for its community spirit, robust economy, cultural experiences, environmental health, safety, and physical beauty. All citizens enjoy a range of opportunities for living, working, learning, and playing. Saskatoon continues to grow and prosper, working with its partners and neighbours for the benefit of all.

A Great Place to Live

Saskatoon cherishes and builds upon what it values most: its people and their strong sense of community; its educational, recreational, and cultural resources; its access to a wealth of natural resources; its balanced and diverse economy and cultural diversity; and, the breathtaking river valley at the heart of the city. It is a city of distinct,

interconnected neighbourhoods accommodating a broad range of housing and amenities. The city's many educational and health institutions continue to expand and excel, fueling the local and provincial economies and helping to build a smarter and healthier city. Arts, sports, and culture are accessible to all and central to the city's identity and livability. It is a city of all seasons, as welcoming and active in winter as it is in summer. The city's natural, built, and financial resources are used wisely. For residents and visitors, it is a city of great character and rich experiences.

Create Wealth & Prosperity

Saskatoon is a creative city that is attractive, prosperous, and sustainable. Growth has been carefully managed and has taken many forms to create walkable neighbourhoods, support lively main streets, and re-invigorate older areas of the city. The City Centre, the main hub for business and culture, is distinguished by beautiful buildings, parks and open spaces, and is home to many thousands of residents. Saskatoon offers a business-friendly environment that supports and attracts investment and businesses big and small, established, and new. It is easy to get around by driving a car, using public transit, walking, cycling, and using a wheelchair or scooter. By planning for balanced growth, providing transportation alternatives, and building places that bring people together, the city has become healthier, more integrated, more accessible, and more attractive.

Investment to Benefit All

Saskatoon is a diverse city that faces up to challenges and works as one community to succeed. There are strong relationships between new and existing cultures. It provides abundant opportunities for its youth and has a vital place for people of all abilities and all ages. People have access to appropriate and affordable housing, basic services, and healthy food. There are many helping hands for those in need. The City's governance is accountable and responsive, and all citizens are encouraged to engage in civic life. Mutual respect, common values, and cooperation among its diverse population have ensured the city remains inclusive, caring, and united. Saskatoon is a dynamic city, learning as it grows, always improving, and doing its part to create a bright future for its people, Saskatchewan, Canada, and the world.

DID YOU KNOW... more than 8,000 additional people chose to call Saskatoon home in the last year?

Our Mission

Our corporation, the City of Saskatoon, exists to provide excellent local government through leadership, teamwork, partnership, and dedication to the community. We will be innovative and creative in the efficient and effective delivery of public services for the economic, environmental, social, and cultural well-being of the community. Our mission statement describes why our corporation exists, who we serve, and what services we provide. The City's Business Lines link to the services we provide our citizens.

Our Corporate Values

Our Strategic Goals will be achieved through the talent, creativity, and commitment of staff who demonstrate our five workplace values every day.

Trust

We assume responsibility for our own trustworthiness and continuously build trust with our colleagues so they know they can rely upon us. We maintain and respect the confidentiality of our citizens, partners, and organizational information. We support, inspire, and empower others to do their job, honour our commitments and are always responsible and dependable.

Integrity

Every day, we demonstrate accountability and our actions are always honourable and ethical. We make wise decisions that are the best for the group, rather than us alone. We make time to help others and lead by example. We acknowledge and know our job responsibilities and are motivated to make things happen within the scope of our positions. We take ownership for our work and are able to report, explain, and be answerable for the results. We strive to find solutions and continuously make improvements.

Respect

We respect others in the organization, regardless of their position or status, through our specific actions. We build on each other's strengths and always remain courteous to everyone even when we may not agree with the opinions of others. We respectfully acknowledge individual beliefs, diversity, aspirations, skills, and experiences even if they are different from our own. We demonstrate mutual respect and practice fair and ethical treatment.

Honesty

We are known for our ability to hold frank and honest discussions that maintain the dignity and perspectives of others. We demonstrate sincerity, while being open and honest. We also listen well, ask for clarity before reacting, and are always willing to admit mistakes.

Courage

We have the courage to face adversity with strength, confidence, and poise. We take smart risks and accept responsibility for the outcome. We are able to think through problems, lead with passion, and manage and embrace change. We are willing to challenge prevailing assumptions, while suggesting new and innovative approaches. We are able to make tough decisions and question actions inconsistent with the values of our organization.

2015 CORPORATE BUSINESS PLAN

Our Leadership Commitments

Our leadership commitments are another critical ingredient for the City of Saskatoon to accomplish the vision and mission. We value and need people who demonstrate our four leadership commitments throughout their daily activities and in a manner that helps to achieve the Strategic Goals.

Reliable and Responsive Service

As leaders, we work toward providing high quality service. We take initiative to respond to the needs of our changing community and strive to earn the respect and confidence of the public.

Strong Management and Fiscal Responsibility

As leaders, we strive to align our work to the corporate strategies and deliver municipal services in cost-effective ways. We endorse the collective bargaining process. We continuously work towards achieving maximum benefits and services by establishing partnerships to leverage resources. And, we ensure future generations are not financially responsible for the benefits received solely by today's residents.

Effective Communication, Openness and Accountability

As leaders, we make every effort to provide timely and accessible information on services and programs to our citizens. We maintain strong working relationships and open lines of communication between City Council, Senior Administration, civic employees, and citizens.

Innovation and Creativity

As leaders, we aspire to create a work environment that allows us to generate new ideas to meet the changing needs of the community. We aim to conduct our work using a collaborative approach.

Our Strategic Goals

The purpose of the Strategic Goals, as identified in the 2013 - 2023 Strategic Plan, is to emphasize the areas that the community and City Council have identified to realize the vision and accomplish the mission over the next ten years.

4-Year Priorities and 10-Year Strategies

The 2013 - 2023 Strategic Plan charts a clear course for the next decade and provides a focus for new ideas and initiatives. City Council identified a number of priorities that were important to achieve the goals and strategies within the Strategic Plan.

Each of the 12 business lines included in the 2015 Corporate Business Plan and Budget align with the City's Strategic Plan and form the path the City will take over the next year. Individual business lines identify the Strategic Goal(s) which it serves, and incorporates the major initiatives planned for 2015 - 2017. The major initiatives to be implemented are summarized by 4-year priorities, long-term strategies (10-year), and other ongoing major initiatives which support the Strategic Plan. Additionally, for the first time, the Business Line Overviews include continuous improvement initiatives that are planned for 2015.

Managing the Risks and Challenges

Risk is necessary for growth and improvement, and providing services to citizens does involve risks; therefore, it is important to ensure risk is managed. The City is implementing a Risk Based Management System (RBM) that will assist the Administration to enhance intelligent risk performance in all areas of the operations, ensuring continuous improvement in the way the City is managed, as well as continued growth in public confidence in the City's performance.

RBM will assist business, budget, and strategic planning by developing an efficient, coordinated, and effective way to ensure that those corporate risks do not derail corporate goals and plans. The program will also assist departments to develop systems that help increase awareness of departmental risk and its impacts, and the options for dealing with risk.

Once risks arising out of activities undertaken to achieve the goals are identified and examined, measures are put in place to raise the likelihood of success in the achievement of the goals and objectives, and to lower the likelihood of negative outcomes.

Since the RBM system is based on risk information, it is important to have the best information possible on which to base management decisions. Risk information is produced and collected from sources within the corporation as well as from external sources, including the:

- City's strategic plans, goals, and ambitions;
- activities necessary to achieve those goals;
- risks and uncertainties that may impact the achievement of these strategies, goals, and ambitions; and,
- most effective way to mitigate the risks and ensure achievement of goals.

While Saskatoon has many advantages, it is certainly not without risks and challenges. The City identifies these within the context of the seven Strategic Goals outlined in the 2013 - 2023 Strategic Plan.

Culture of Continuous Improvement

A culture of continuous improvement ensures we provide high quality services to meet the changing needs and expectations of our citizens. One of our biggest challenges is managing rising expectations. Saskatoon's growing population means more people from different cultural backgrounds, age groups, and ability levels are accessing civic programs, services, and facilities; all have their own expectations.

Because employees are at the heart of continuous improvement, the City strives to attract and retain a culturally diverse workforce that is reflective of the broader community. This requires ongoing attention to the different needs and expectations of our employees. Success ensures that City employees are engaged and motivated in the day-to-day tasks of building a better city.

Asset & Financial Sustainability

Asset and financial sustainability means investing in what matters and managing the City in a smart, sustainable way. Citizens expect well-maintained infrastructure, accessible civic programs and services, and affordable property taxes. Yet rapid growth is straining the City's capacity to fund service delivery and infrastructure improvements.

To meet the City's long-term strategy of reducing reliance on residential property taxes, we continue to explore more appropriate models to adequately fund a 21st century city, while also ensuring civic activities remain affordable and accessible for all residents.

Quality of Life

Quality of life is a great source of pride for Saskatonians and a significant focus for the City. Saskatoon's growing seniors population, its growing Aboriginal and newcomer populations, its new 'big city' traffic patterns, its changing neighbourhoods - all create challenges to cultural and social cohesion.

Determining our role in meeting the city's changing needs is an ongoing task. By identifying areas in which we can lead, areas in which we can partner, and areas in which we can build capacity, we ensure neighbourhoods offer a range of housing options, employment opportunities, leisure facilities, and other amenities.

We work with partners in the community to provide assistance to marginalized members of our society, such as affordable housing. We ensure programs and facilities are accessible and affordable to the broadest segment of the community. We address public safety issues, from gang activity to emergency preparedness. We keep pace with changing preferences in sports, culture, and recreation. Our focus continues to be ensuring that all citizens can participate and feel a sense of belonging.

Environmental Leadership

Meeting citizens' expectations for environmental leadership will continue to be a priority as the city grows. We must be prepared to respond to severe weather events as well as changes in federal and provincial environmental regulations. We must continue our efforts in renewable energy, waste elimination and diversion, recycling, composting, and responsible land use and re-use.

Sustainable Growth

Maintaining Saskatoon's high quality of life demands sustainable growth, both environmentally and economically. Rapid growth is increasing pressure on our existing infrastructure and human resources, while also straining our capacity to fund major upgrades to transportation and facilities infrastructure. The *Growing Forward! Shaping Saskatoon* plan provides a road map for how to achieve sustainable growth. As the face of the city changes, we must find ways to communicate the plan and its benefits to citizens in an effort to increase understanding and acceptance of the changes outlined in the plan.

Moving Around

Among the many challenges created by growth, transportation (moving around) is one of the most visible. Not only is traffic congestion more pronounced, but citizens' expectations when it comes to transportation options, transit and bike routes, and year-round road maintenance are higher.

The City must develop sustainable financing models to invest in infrastructure and new modes of transportation. We must transition to the new Transit system outlined in the *Growing Forward! Shaping Saskatoon* plan. We must manage public expectations during the time it takes to design, fund, and build new transportation modes and infrastructure.

Economic Diversity & Prosperity

Economic diversity and prosperity is the foundation of all our strategic goals, from quality of life to environmental leadership to sustainability. Demand for growth in the Saskatoon Region has increased the need for water, sewage treatment, and transportation options.

The risks are often out of the City's direct control – unmanaged regional development, national economic ups and downs, and global trade issues. The City must stay in tune with the larger economic picture in order to foster a business-ready, business-friendly environment.

IMPROVING EFFICIENCY AND EFFECTIVENESS IN CIVIC PROGRAMS AND SERVICES

The City is committed to high standards of performance and to providing the services that matter most to citizens. The Continuous Improvement (CI) Strategy supports the long-term strategy to focus on the use of innovative and creative means to identify and implement workplace efficiencies and provide the best possible services to citizens. Budget 2015 reflects a commitment of $1.37 million in sustainable CI savings achieved in 2014.

The CI Strategy is a formalized approach to identifying opportunities to improve the overall efficiency and effectiveness of the organization. The CI Strategy includes three key components: Annual Civic Service Reviews (CSR), Internal Process Reviews (IPR), and Building Capacity in the Corporation.

The Annual CSRs identify opportunities to control expenditures and to seek efficiencies in the delivery of municipal programs and services. The CSRs examine all aspects of the service under review to ensure that every dollar is wisely spent and will identify options and recommendations to address two service delivery questions:

- **Effectiveness:** Would changes to the service help to achieve greater results within currently available resources?
- **Efficiency:** Would changes to the current method of delivering the service improve the cost effectiveness?

The following services were reviewed in 2014:

- Road Management Program (Design, Construction, Operations, and Maintenance)
- Parks (Design, Construction, and Maintenance)
- Waste Handling Program

The CSRs involved the identification of current processes to create a common understanding of how the service is currently being delivered. The teams also defined how the service will be delivered in the most effective and efficient way possible to meet citizen expectations, and then identified the change in resources required to deliver the new service in comparison to the current service and identify the savings. Teams involved in the CSRs include representation from several civic divisions and provide an opportunity for collaboration and sharing of ideas for best practice solutions.

Increased communication and collaboration across divisions will identify and proactively eliminate issues, improving service to citizens. Improved planning on the front end of civic projects ensures that all internal and external stakeholders are following the same standards and collaborating to deliver citizen friendly programs and services.

In addition to three formal CSRs, the Saskatoon Fire Department initiated a continuous improvement review of its operations and administration. The review resulted in over $16 million in potential savings realized through a number of short and long-term recommendations to improve the efficiency and effectiveness of the Department.

Employee and citizen involvement and engagement are critical to the success of the CI Strategy. Innovation coaches from each department will foster innovation and creativity within all levels of the corporation. Building capacity within each Department will assist in driving change throughout the corporation.

The 2015 Business Plan and Budget outlines a wide variety of CI initiatives that each Business Line will focus on in the coming year. As the name suggests, continuous improvement is an ongoing effort to improve services, programs, or processes. CI initiatives will result in incremental improvements that will be realized over time as well as breakthrough improvements with immediate identification of savings and/or service level enhancements.

IMPROVING DELIVERY OF SERVICES WITH INNOVATION AND EFFICIENCY

With a vision of being the best-managed city in Canada, the City is committed to continuing to going beyond conventional approaches to explore and implement new ways to improve service, increase savings, and grow our city in a sustainable way.

Focusing on improving effectiveness and efficiency in operations helps ensure affordable and sustainable programs that improve the quality of life are delivered to citizens and enables the City to be collaborative and responsive in its growth to half a million people.

The *2013 Report on Service, Savings and Sustainability: How the City of Saskatoon is Improving Productivity*, demonstrates how we have:

- Improved our service through our focus on continuous improvement which led to innovations and efficiencies in the delivery of civic services and programs;
- Increased our savings by taking a fresh look at how we operate, enabling the City to realize approximately $50 million in savings in 2013 and more than $74 million over the next 30 years; some of which are calculated efficiency savings and some are true hard dollar reductions to the budget. Additionally, there is $600,000 in deferred savings resulting from the use of innovative and creative approaches to our work; and,
- Grown our city in a sustainable way by reducing civic greenhouse gas (GHG) emissions by approximately 111,200 tonnes CO_2e per year, the equivalent of taking 23,165 cars off our roads.

The results of the 2013 initiatives with hard dollar savings, as well as some of those implemented in 2014, have been incorporated into the 2015 budget. Continuous improvement initiatives and the associated savings incorporated into the budget help to reduce the mill rate. The 2015 Corporate Business Plan and Budget also identify continuous improvement initiatives by business line that will be completed in 2015.

2015 CORPORATE BUSINESS PLAN

BUSINESS LINES

The City's budget and business planning process follows a framework to allow the City to be more adaptive and responsive to the changing dynamics in our city, our province, and our country. The City's 2015 Corporate Business Plan and Budget is organized by business lines that bring together similar services which are identified as Service Lines (program within the major business lines).

The business lines are briefly described below:

Community Support

Provides supports and community investments to help build capacity in sport, recreation, culture, heritage, and social organizations, and enhances neighbourhood- based associations and organizations.

DID YOU KNOW... the City of Saskatoon provides in excess of $5.5 million in community support grants?

Corporate Asset Management

Provides building operation and maintenance services for the City's buildings and structures, and manages its fleet of vehicles and equipment.

DID YOU KNOW... that there are 1,300 vehicles and equipment in the City's fleet?

Corporate Governance and Finance

Provides administrative, human resources, information technology, and finance supports for all other business lines. The City's fleet services, and building operations and maintenance services, provide support to the other business lines.

DID YOU KNOW... that 1,711 applications for brand new utility services were received in 2013? In 2009, there were only 835 applications.

Environmental Health

Preserves and protects the long-term health of our urban environment.

DID YOU KNOW... the landfill receives approximately 117,000 tonnes of garbage annually?

Fire Services

Provides fire prevention, public fire and life safety education, emergency response, and the direction and coordination of the City's emergency planning and preparedness.

DID YOU KNOW... the Fire Department responded to over 36,000 calls in 2013?

Policing

The Saskatoon Police Service works in partnership with the community to develop collaborative strategies to reduce crime and victimization. The Police Service, in partnership with City Council and the community, continue enforcement with proactive prevention, education, and early intervention strategies.

DID YOU KNOW... there were over 11,000 arrests processed through the detention area in 2013?

Recreation and Culture

Provides opportunities for citizens to participate in, and enjoy, the benefits of sport, recreation, culture, and park activities.

DID YOU KNOW... the civic golf courses hosted more than 120,000 rounds of golf in 2014?

Taxation and General Revenues

The property levy is the amount required from property taxes to balance the operating budget. This levy includes growth in the assessment roll over the previous year plus the requirements to fund the current year's budget. Supplementary taxes are levied on properties that were changed in the current taxation year and not a part of the original levy. Other corporate revenues including the Municipal Operating Grant are applied to the general fund are included in this business line.

DID YOU KNOW... that the house with the highest assessment in Saskatoon was sent a 2014 tax bill for $16,000?

Transportation

Efficiently moves people, services, and goods while minimizing environmental impact and promoting sustainability.

DID YOU KNOW... total annual vehicle kilometres travelled in Saskatoon is 1.5 billion?

Urban Planning and Development

A proactive approach to addressing future opportunities and pressures on our community that accommodates growth and change (e.g. population, diversity of public services and amenities, broader scope of education, research, business), while balancing long-term economic, environmental, and social needs, and achieving the desired quality of life expressed by our citizens.

DID YOU KNOW... it is estimated that there will be over 5,000 building permits issued in 2014 with an estimated construction value of over $1.0 billion dollars?

Utilities

Provides cost-effective and high-quality electricity (Saskatoon Light & Power), quality drinking water, treatment of waste water, and storm water management (Water & Sewer).

DID YOU KNOW... the Water Treatment Plant treats approximately 44 million cubic metres of water per year?

Land Development

Operates on a level playing field with the private sector, and ensures adequate levels of serviced inventory for both residential and industrial land are maintained to meet demand.

DID YOU KNOW... the Land Development business line has facilitated the servicing and sale of over $634 million in land parcels during the last five years?

COMMUNITY SUPPORT

Operating Expenditure Budget: $15.6 million **Capital Budget: $0.4 million**

Strategic Goal: Quality of Life

Overview

Saskatoon consistently ranks among the top cities in North America for quality of life. The City of Saskatoon defines quality of life as the sense of well-being achieved when people are physically and emotionally healthy, economically secure, safe, have adequate shelter, a sense of belonging, and share cultural and social connections.

Achieving quality of life for residents of Saskatoon requires the combined commitment of individuals, families, community organizations, service providers, and the City of Saskatoon. The Community Support business line provides both human and financial supports for community groups, as well as a broad range of City-led initiatives. These initiatives are aimed at building capacity in sport, recreation, culture, heritage, and social organizations and enhancing neighbourhood-based associations. The Community Support business line also provides subsidized or no cost programs where cost is a barrier for families or individuals. In addition, within this business line are services respecting dignity and addressing cost as a barrier in the services provided by Cemeteries and the Animal Control program. Further, economic development, tourism, and protection of our river valley are supported through contributions to the Saskatoon Regional Economic Development Authority (SREDA), Tourism Saskatoon, and the Meewasin Valley Authority (MVA).

Community supports often take the form of investments in community-based organizations. This approach ensures a balance between municipal leadership and community involvement in the development and revitalization of facilities, programs, and services, and the protection of Saskatoon's heritage buildings and structures. Partnerships and community collaboration continue to be keys to the success of this service delivery approach. Further, the human and financial leveraging facilitated through this approach is exponential.

BUSINESS LINES

At A Glance

- Provides support and community investments to approximately 65 social agencies; 50 sports organizations; 49 community outdoor rinks; 46 community associations; 17 arts, culture, and heritage organizations; and, 16 community gardens.
- Provides in excess of $5.5 million in community support grants.
- Community support grants leverage both human and financial resources in the community-based organizations in excess of $48.0 million in self-generated revenue; $600,000 in grants to the City; approximately 600,000 visits to cultural facilities; approximately 125,000 Community Association volunteer hours; 60,000 sport, culture, and recreation program hours; and, 161,300 program participants.
- Supports the stewardship of the natural and heritage resources along the river edges through our connection and supports to MVA.
- Supports expanding our economy through tourism by providing grants to Saskatoon Tourism.
- Supports economic development to ensure Saskatoon is a place to live, work, invest, and prosper through our supports to SREDA.
- Coordinates programs designed to enhance the engagement of Aboriginal people, address racism and discrimination, and enhance racial harmony.
- Facilitates community engagement processes.
- Maintains Woodlawn Cemetery and Nutana Pioneer Cemetery.
- Subsidizes approximately 175 spay or neuter surgeries a year.
- Subsidizes approximately 93,000 Leisure Access visits to leisure facilities a year.

Key Challenges

- Balancing municipal leadership, private sector involvement, and community involvement in addressing the needs of the community.
- Ensuring our programs, services, and various infrastructures (facilities, roads, sidewalks, etc) are barrier free for citizens of all abilities and are accessible (geographically, physically, and financially) for the broadest segment of the community.
- Collaborative delivery of services depends on partners/arms-length service delivery agents fulfilling commitments.
- Increasing diversity in Saskatoon's population means ongoing changes and challenges to building cultural and social cohesion.
- Changing funding priorities has more Government grant dollars being directed to employment and economic development programs and initiatives. This means less funding available for the cultural and social community based organizations.
- Increasing demands on community based organizations and volunteers to be the delivery agents, along with increased demands for reporting and offering a wider variety of programs and services.
- Being able to meet the growing community needs for animal services in response to pet owner's requests to provide additional dog parks and additional amenities at existing parks (e.g. benches, dispenser bags, education signage, and garbage containers). Also, there is a decline in pet owners buying pet licenses, resulting in less revenue to cover program costs and an increase in stray cats and dogs in Saskatoon.
- An aging population and an expanding diversity of cultures presents some challenges for Woodlawn Cemetery in providing services that will ensure the cemetery operations continue to meet the needs, ensure long term available capacity, and maintain cost recovery objectives.

Major Initiatives 2015-2017

Implement the Following Priorities (4-Year):

- Enhance and develop new partnerships and programs for the Urban Aboriginal Leadership Program. These programs will assist in enhancing economic, employment, and training opportunities.
- Collaborate with the Saskatoon Council on the Age Friendly Saskatoon Initiative to develop an action plan to become a more "age-friendly" city where older adults can lead healthy independent lives and are active and engaged members of the Saskatoon community.
- Implement the Immigration Action Plan, through community intersecoral collaboration. Ensure the City's programs and services are changing along with the changes in the community.

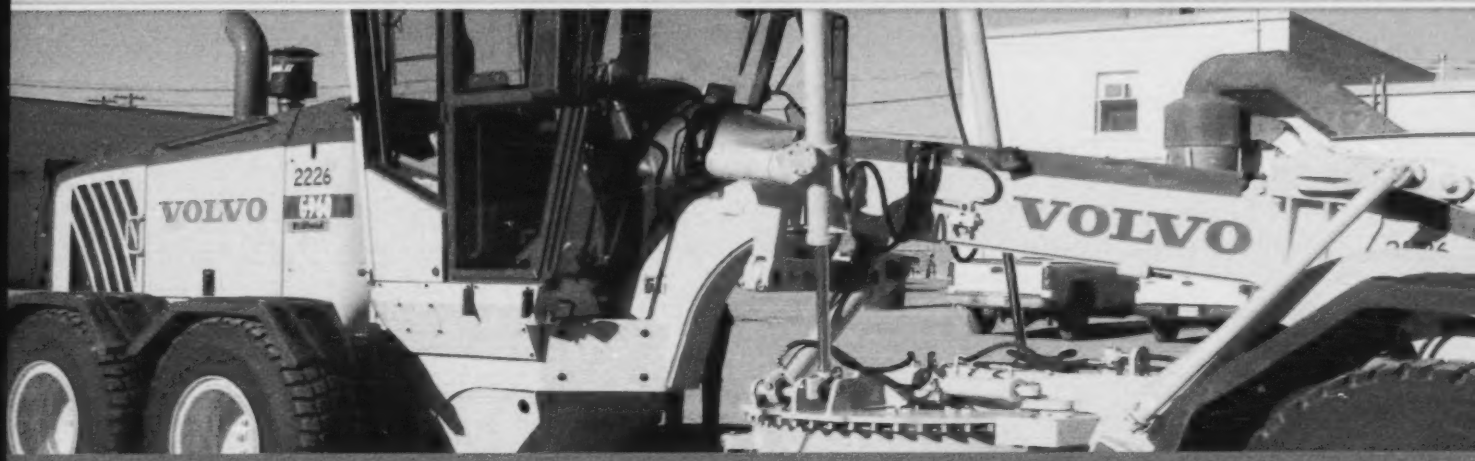
Implement the Following Long-Term Strategies (10-Year):

- Update and continue implementation of the Corporate Accessibility Action Plan, a collaborative, long-range, ongoing effort to address accessibility of civic facilities, programs, services, and infrastructure. The plan includes the installation of audible pedestrian signals and curb ramps, barrier free facility assessments, establishing an Accessibility webpage, and formalizing the Universal Design Standards for the City.
- Promote existing cultural education and awareness programs. Establish an anti-racism, anti-discrimination education strategy aimed at increasing inter-cultural competencies.
- Enhance activities for youth to increase positive race relations and civic engagement among the young adult community.
- Undertake initiatives to strengthen relations and partnerships with Aboriginal organizations and focus the provision of programs and services on identified gaps.
- Continued implementation of the Culture Plan recommendations with a focus on a long term strategy to invest in and support the cultural sector in Saskatoon. Specific initiatives are highlighted in the Recreation and Culture Business Line.
- Through our involvement with the Saskatoon Collaborative Funders Partnership, pilot an evaluation and reporting tool among local community organizations that have a similar mandate. This reporting tool will help community organizations to better report on their collective impact in the community and streamline the reporting.
- Support community building through direct investment, community development expertise, and support to volunteers on committees and community associations.
- A feasibility study for cemeteries, which involves hiring a Cemetery Consultant to assist with providing: an accurate count of the years remaining in Woodlawn Cemetery; a strategic plan to develop all unallocated areas within Woodlawn Cemetery; and, a report to outline the future needs of the City, by providing the number and size of future cemeteries.
- The continued implementation of the animal services program plan is highlighted within the Recreation and Culture Business Line and includes the following: providing reasonable access to off leash areas within all quadrants of the city, reviewing licensing fees, ensuring the SPCA and SACA are consulted regarding plans for addressing the growing demand for animal services as the city continues to grow.

BUSINESS LINES

Continuous Improvement

- The Saskatoon Collaborative Funders Partnership will pilot an evaluation and reporting tool among local community organizations that will help community organizations to better report on their collective impact in the community and streamline the reporting.
- Conduct a review of the Leisure Access Card and program, how it operates, processing times, and impact on operating costs.
- Continuing to monitor the new community associations being established in new neighbourhoods and the resulting supports required from the City.
- Develop a standardized framework of information management for positions within the Community Development Division to maximize efficiency and consistency for when staff turnover occurs.
- Review internal graffiti management processes and procedures across departments and divisions to streamline processes, avoid duplication of efforts, and improve customer service in responding to reports from the public about graffiti on civic property.



CORPORATE ASSET MANAGEMENT

Operating Expenditure Budget: $10.1 million **Capital Budget: $15.6 million**

Strategic Goal: Asset & Financial Sustainability

Overview

The Corporate Asset Management Business Line provides support and services for all civic programs and departments including building operations and maintenance services for City buildings and structures such as leisure facilities, fire halls, transit buildings, civic offices, libraries and galleries, Police Headquarters, and other associated services for TCU Place and SaskTel Centre.

The Fleet Services program within this business line provides equipment management services for the Corporation's vehicles and equipment fleet, including purchasing, leasing, maintenance and repair, fuel distribution, and operator training.

The City employs a comprehensive maintenance program for the preservation of facilities and fleet infrastructure. This program combines preventive maintenance with cyclical infrastructure renewal to ensure facility and fleet assets are optimized for longevity.

At A Glance

- Building value: $1.21 billion; Contents value: $244.2 million.
- Total building areas: 359,550 square meters.
- Vehicle parking areas maintained and operated: 92,268 square meters.
- Total number of play structures maintained: 184.
- There are a total of 28,670 park furnishings maintained in 233 parks.
- Pools maintained and operated: 6 indoor; 4 outdoor; 32 paddling; 16 spray.
- More than 9,300 assets maintained via the Comprehensive Maintenance Program.
- 15,120 work requests issued through Facilities (average 126/working day); 11,160 work requests issued through Fleet Services (average 46/working day).

BUSINESS LINES

- There are 1,300 vehicles and equipment in the City's fleet worth a book value of $80.0 million.
- Diesel & gasoline consumption: 3.6 million litres per year from 23 separate fueling stations.
- Total number of trunked radios on radio system: 1,403 worth a book value of $15.2 million.

Key Challenges

- A primary concern for the Corporation is maintaining the aging infrastructure of its assets and managing renewal backlog – buildings and structures and the fleet of vehicles and equipment. 43% of City buildings and structures, based on area, are 50 years of age and older. 39% of our heavy equipment fleet is 10 years of age or older.
- Building capacity for site capital renewal and addressing deferred maintenance of our site infrastructure, including parking lots and entrance roadways, underground infrastructure, play structures, and spray pools.
- The Building Better Roads program has resulted in a marked increase (30% - 50%) in heavy equipment utilization rates and correspondingly higher equipment repair costs and accelerated equipment depreciation rates, which has not been reflected in operational funding or capital renewal.
- Hiring, developing, and retaining skilled trades and professionals in a competitive labour market.

Major Initiatives 2015-2017

- Continue radio system enhancements to meet civic demand and provincial emergency communication networks, including expansion to accommodate expanded City coverage.
- Construction of a permanent snow storage facility as a part of the new Civic Operations Centre.
- Construction of a new Transit facility in 2015/2016 as a part of the new Civic Operations Centre.
- Continue work on civic accommodation, in City Hall to further examine the immediate and long term space requirements and opportunities within newly acquired office spaces.
- Develop alternate maintenance and operations service delivery models for maximizing resources.
- Establish mutually derived service level agreements with our customers to reflect their requirements and documenting expectations for service levels.
- In partnership with Environmental and Corporate Initiatives, develop energy management programs and strategies for effective management of water, electrical, and natural gas consumption within civic facilities.

Continuous Improvement

- Fleet Services is scheduled for an in-depth Civic Service Review for 2015, examining current operating service delivery and exploring service models, risk management, funding strategies, and reviewing best practices for service enhancement.
- Continued expansion of energy management initiatives partnered with Environmental Health including the completion of the combined heat and power projects at the Shaw Centre and Lakewood Civic Centre, energy performance contracting, and maximizing operational efficiencies through information garnered from our civic facilities energy and water monitoring project.
- The transition into our new work management systems includes Electronic Time Sheet Entry which will reduce labour efforts in time sheet reconciliation and greatly improve capturing work cost data.
- Improvements to procurement opportunities to expedite work processes and greatly reduce duplication of effort including blanket purchase orders for a variety of services and multi-year service contracts.
- Optimizing graffiti response processes through centralization of reporting and the development of a focused response team as part of the Graffiti Task Force.

CORPORATE GOVERNANCE AND FINANCE

Operating Expenditure Budget: $65.0 million **Capital Budget: $1.3 million**

Strategic Goals:

- Asset & Financial Sustainability
- Culture of Continuous Improvement

Overview

The Corporate Governance and Finance business line provides essential direction and support for the City of Saskatoon in three main areas:

- Governance
- Finance
- Performance

The leadership and expertise that City staff provides in these important areas help ensure the smooth, seamless delivery of programs and services to residents, businesses, organizations, and stakeholders.

Corporate governance oversees legislative and legal compliance, and implements strategic corporate programs to support City Council and the Administration. Corporate governance includes the Offices of the City Manager, the City Solicitor and the City Clerk and carries out the legislated duties of the Corporation, as defined in the *Saskatchewan Cities Act*. The City Manager's office also administers the corporate Risk Based Management System, which is intended to ensure that significant risks facing the City are addressed in a positive, systematic, and productive way.

The Chief Financial Officer (CFO) provides corporate financial leadership to City Council and the Administration. The CFO reports to the City Manager and partners with the General Managers on the overall development and deployment of financial plans and strategies to enable effective program and service delivery. The CFO is also the General Manager of Asset & Financial Management.

A key function of the Corporate Governance and Finance business line is to operationalize the City of Saskatoon's mission and vision by aligning organizational performance with the Strategic Plan.

BUSINESS LINES

Through sound management and strong governance, the business line supports other divisions within the organization in achieving the seven Strategic Goals.

By focusing on continuous improvement and performance measurement, the organization strives to provide the best possible services being innovative and creative. Enhancing effectiveness and improving efficiency allows for the delivery of affordable and sustainable programs to citizens. This ensures the Administration continues to focus on its long-term goal of managing the Corporation in a smart, sustainable way.

The Corporate Governance and Finance business line contains several additional employee and organizational services that ensure corporate support functions work together to help front-line staff deliver quality services to the citizens of Saskatoon. Keeping citizens informed through community engagement and corporate communications are two important functions of the Corporate Governance and Finance Business Line.

Employee and organizational services include:

- human resources;
- strategic & business planning;
- government relations;
- aboriginal affairs;
- corporate communications;
- customer service;
- information technology; and,
- billing and collection of revenue.

At A Glance

- Total Corporate Operating Budget for 2014 was $411.9 million.
- Total Corporate Capital Budget for 2014 was $381.1 million.
- There are 11 elected officials consisting of the Mayor and 10 Ward Councillors.
- There are 12 unions and associations within the City's organizational structure.
- Total of $588.0 million in collected and billed revenues corporately in 2013.
- The assessed value of all property in Saskatoon is $39.4 billion (taxable $31.4 billion) for 2014.
- There are 18 Joint Occupational Health and Safety Committees representing employees from every department in the City's organizational structure.
- There are 3,504 full time equivalent (FTE) operating and capital budget positions for 2014. Currently there are 3,936 permanent employees (includes full time, part time, and job share employees).

Key Challenges

- The ability to finance the maintenance and replacement of the city's aging, existing infrastructure.
- Developing the appropriate taxation or user fee models for service delivery funding.
- Expectations for increased communications, engagement, customer service, and digital programs/media are growing faster than our capacity to deliver.
- Increasing expectations of citizens and reactionary nature of business, challenges the capacity of departments to deliver services that meet our customers' needs while at the same time respond to increased demands for information.
- Rapid pace of growth resulting in increased pressures placed on all departments and divisions resulting in an imbalance of priorities.
- Creating awareness of where tax dollars are spent.
- Attracting top talent in an increasingly competitive job market.
- Creating an organization that embraces a diverse and inclusive workforce that supports employees with different needs and expectations.

- Achieving a workforce that is representative of the population being served.
- Ensuring potential and new managers are trained on critical skills, knowledge, competencies, values, and behaviours required to succeed in a leadership role with the City.
- Rapid, ongoing changes in technology.

Major Initiatives 2015-2017

Implement the Following Priorities (4-Year):

- Develop an Employee Rewards and Recognition Program in consultation with employees.
- Develop a formalized corporate fund-raising strategy and/or a philanthropic policy.
- Implement a Succession Planning Process that will include a smooth transition of knowledge and skills to successors.
- Launch the "Investing in Leaders" staff development program that will provide training and development opportunities for staff at all levels and align leadership development with the Strategic Plan.
- Explore alternate sources of revenues to pay for ongoing operations.
- Begin the process of implementing Service Saskatoon - a coordinated approach to responding to citizen calls and inquiries on programs and services. Develop a detailed project plan and facilitate the implementation process for a 311/ Customer Relationship Management system.
- Continue implementation of an electronic agenda and meeting management system to streamline process, improve access to information from City Council and Standing Policy Committee meetings, increase staff efficiencies, and reduce photocopying and paper costs.
- Launch a new website for the City that is more customer and citizen friendly and adopt a Digital Policy and Standards Guide to enhance online services and maintain a consistent user experience.
- Lead the transition from manual meter reading to Advanced Metering Infrastructure (AMI).
- Develop a long-term financial plan which combines financial forecasting with financial strategizing to identify future challenges and opportunities, causes of fiscal imbalances, and strategies to secure financial sustainability.
- Develop a plan to increase awareness on levels of service and associated costs.
- Develop a business plan for a core corporate financial system.
- Coordinate the Civic Service Reviews and continuous improvement initiatives in collaboration with all divisions across the organization, to improve the effectiveness and efficiency of programs and service delivery to our citizens.

Implement the Following Long-Term Strategies (10-Year):

- Create and encourage a workplace culture of continuous improvement that encourages innovation and forward thinking. Identify targeted opportunities to implement specific continuous improvement tools within each division.

Continuous Improvement

Corporate Governance and Finance will be exploring and identifying opportunities to more effectively and efficiently support the organization through a review of current systems as well as development of new systems:

- **Assessment & Taxation** - Review of processes, systems, and industry best practices to ensure the division can more effectively and efficiently address current taxation options, and operate in a shorter reassessment cycle if required.

BUSINESS LINES

- **Assessment & Taxation** - Continue to explore opportunities to convert paper records to digital to reduce current office storage requirements, allow for easier access to historical records, and assist with records security and efficiencies.
- **City Clerk's Office** - Implementation of Electronic Agenda and Meeting Management System will streamline processes and improve access to information from City Council and Standing Policy Committees.
- **Strategic & Business Planning** - Development of a Corporate Project Management System to improve consistency and efficiency in all projects across the organization.
- **Strategic & Business Planning** - Development of a Corporate Training System including: leadership development and technical training.
- **Human Resources** - Develop a process for automation of employee leave reports, job postings, and staffing actions.
- **Information Technology** - Review how support is being provided to the Corporation. Resourcing in this area is vital in being able to proceed with continuous improvement projects and ensure technology used for everyday tasks is resourced and supported.
- **Communications** - Evaluate the use of *notifynow* and Service Alerts to eliminate redundancies and improve communication delivery to citizens during emergencies and service disruptions.

ENVIRONMENTAL HEALTH

Operating Expenditure Budget: $19.3 million **Capital Budget: $3.8 million**

Strategic Goal: Environmental Leadership

Overview

A healthy environment is essential to a healthy population, now and in the future. The City of Saskatoon demonstrates Environmental Leadership through a number of programs, services, and activities under the Environmental Health business line. These initiatives enable the city to grow in harmony with nature and effectively preserve and protect the long-term health of the environment in which Saskatoon is built.

Saskatoon's waste handling services form the core of this business line. Air, water, and land protection are the critical motivators behind the services provided under this business line, and the particular focus of Environmental Programs. Guided by plans, strategies, and environmental regulations, the impact of our activities is reduced for the benefit of citizens today and tomorrow.

Initiatives include: collection and management of solid waste; recycling and composting program development and management; implementation of environmental programs to reduce energy use and the emission of greenhouse gases; stewardship of hazardous waste; responsible management or remediation of contaminated City-owned sites; water and air quality protection; management of Saskatoon's urban forest; prevention of the spread of insect and plant pests; and, environmental policy development. These programs and services are delivered by three divisions: Environmental & Corporate Initiatives, Parks, and Public Works.

The City is expected to be a leader in environmental stewardship. Environmental & Corporate Initiatives supports and facilitates environmentally friendly and sustainable practices for improved environmental performance both by the corporation and the community at large.

BUSINESS LINES

At A Glance

- Parks Division maintains the health and beauty of over 105,000 park and boulevard trees.
- Landfill receives approximately 117,000 tonnes of garbage annually; 55% is residential garbage.
- In addition to recycling and composting programs provided by the waste services utility, waste diversion programs collect over 50,000 kilograms of hazardous waste and 2,700 tonnes of recyclable paper and cardboard at public depots.
- Pest Management monitors and treats 950 Kilometers^2 of land in and around Saskatoon for mosquito larvae, monitors approximately 33,000 American Elm for Dutch elm disease, manages nuisance wildlife, and administers the provincial Noxious Weed Act through Inspection Services.

Key Challenges

- Greenhouse gas emissions continue to rise and legislation mandating emissions reduction is anticipated. The City will need to make deeper cuts in emissions from civic operations and promote reductions across the community.
- Landfill life will be shortened if waste reduction does not occur.
- The health of the urban forest is threatened by pests, disease, and weather patterns.
- The quality and quantity of water available in the South Saskatchewan River threatens the City's ability to provide cost-effective drinking water to citizens and the local economy.
- Air quality, while remaining 'Good' has shown trends toward deterioration.
- Growth relies on the ability to develop cost effective and safe procedures for managing contaminated sites important for infill development or in the path of future urban expansion.
- Climate change, extreme weather events, flooding, and drought conditions affect a number of civic services and assets.
- Vector and nuisance mosquito populations can become an issue in very wet seasons.

Major Initiatives 2015-2017

Implement the Following Priorities (4-Year):

- Report on environmental implications and resiliency to climate change impacts.
- Update the greenhouse gas emissions inventory count.
- Develop an Energy and Greenhouse Gas Reduction Business Plan that identifies key initiatives to achieve emissions reductions targets by 2020.
- Establish an Environmental Sustainability Reserve to fund initiatives that reduce greenhouse gas emissions, save costs, and reduce impacts on the environment.
- Implement energy-efficient practices within the City fleet of vehicles and equipment including the development of a Green Fleet Strategy that includes the use of bio-fuels, compressed natural gas (CNG), and route optimization using GPS.
- Implement energy-efficient practices at the Water and Wastewater Treatment Plants.
- Complete the Garbage Service Verification project to improve service and achieve cost savings through efficiencies.
- Implement Sustainable Procurement policies to maximize the economic, social, and environmental benefits of the City's purchasing practices.
- Continue to replace conventional energy sources with clean energy technologies at civic facilities and within park irrigation systems.
- Implement community waste audits to track the performance of recycling and composting programs.

- Implement a comprehensive City of Saskatoon (corporate) recycling program for all civic operations.
- Implement the Landfill Optimization Strategy to extend the life of the Landfill indefinitely.
- Continue to expand programs to divert organics from the Landfill.
- Complete Recovery Park, a facility adjacent to the Landfill including a 'Take-It or Leave-It' household item reuse centre, recycling depot, and processing areas for soil, stone, bricks, concrete, asphalt, wood, metal, drywall, and glass.
- Communicate the financial benefit of environmental initiatives.

Implement the Following Long-Term Strategies (10-Year):

- Participate in the South Saskatchewan River Watershed Stewards as a leader in watershed protection and improvement, including studies of water quality.
- Establish a storm water monitoring program.
- Implement soil protection and remediation policies and procedures to make way for infill development opportunities under the Integrated Growth Plan for Saskatoon.

Other Ongoing Major Initiatives:

- Develop an emergency response plan for pest management should an invasive species threaten the urban forest.
- Develop enhanced spill response capabilities to protect the watershed.
- Participate in the newly-established West Yellowhead Air Management Zone to guide air protection efforts within the region.
- Improve the customer experience at the Saskatoon Regional Waste Management Centre (Landfill) while appropriately managing safety and environmental risk.

Continuous Improvement

- A number of continuous improvement initiatives will continue or proceed in 2015 and are listed under the applicable Service Lines. Many of the initiatives involve coordinated management and communications across Service Lines to achieve financial savings, improved productivity, more efficient use of assets, compliance with regulations, and alignment with industry best practices.
- Initiatives include the continuation of the Garbage Service Verification project, completion of the Waste Handling Service Review and expansion of the Soils Handling Strategy.
- New initiatives for 2015 include changes to construction specifications to increase the use of materials from waste diversion programs and increased coordination and tracking of regulatory compliance reporting.

FIRE SERVICES

Operating Expenditure Budget: $45.8 million **Capital Budget: $1.6 million**

Strategic Goal: Quality of Life

Overview

With a recent branding change "The Saskatoon Fire Department" (SFD) is responsible for emergency planning and response to be able to mitigate all incidents of concern within the city of Saskatoon and surrounding RMs that are covered by applicable service agreements. The Department's responsibility to enforce the above initiatives is through both *The Fire Prevention Act 1992* (soon to be *The Fire Safety Act*) and *The Emergency Planning Act*. The responsibilities of the Saskatoon Fire Department are enabled through *The Cities Act* and then Saskatoon Fire and Protective Services Bylaw 7990 within Part II, Section 4, codified June 18, 2012. The SFD combines enforcement with proactive prevention and education to align with the City's Strategic Goal of Quality of Life, wherein public safety is a key success driver.

At A Glance

- The SFD has 334 staff with 280 in the Operations Division and the remainder within the Administration, Prevention, Training, Emergency Measures and Support divisions. The operational staff currently operates 12 front line engines and two aerials out of nine fire stations. In 2013, crews responded to 11,071 emergency and non-emergency calls not including inspection activity or community engagement events.
- Through the Fire Prevention Division and Operations over 2,300 fire inspections were carried out under Bylaw 7990 including Day Care and Care Homes. Property Maintenance and Nuisance Abatement Bylaw 8175 saw 2,145 complaints which generated 3,298 inspections and re-inspections.

- SFD continues with the Saskatchewan Rental Housing Supplement Program to improve the overall standard of rental properties in the city. The Fire Prevention Division will inspect up to 1,040 single family rental properties to assist clients of social services.
- Through a tiered-response agreement with the Saskatoon Health Region, SFD plays a major role in the delivery of pre-hospital care to the citizens of Saskatoon. Another area of support is through Needle Safe Saskatoon where Fire picks up discarded needles in public spaces.
- A new initiative for 2014 was the introduction of *notifynow*, the City's mass notification system through the Emergency Measures Organization (EMO). During an emergency affecting the city or a resident's neighbourhood, the system enables the City to communicate critical safety information to citizens with the push of a button. When residents sign up, they can choose how they wish to be notified via their home, work or cell phone, or email.

Key Challenges

- Expansion of the city's population and physical boundaries requires an increase in resources to meet these demands based on standards.
- Increased property maintenance concerns within the city.
- Expanded operations will require additional resources in all support divisions.
- Succession planning for departmental senior management positions.
- Due to increased property maintenance concerns within the city a coordinated bylaw enforcement group is being developed.

Major Initiatives 2015-2017

Implement the Following Priorities (4-Year):

- Construction of Fire Station No. 10 in the Northwest sector in 2016/2017.
- Develop a coordinated approach to address derelict residential structures.
- Develop a plan for future upgrades or replacement of the department training/mechanical maintenance shop.
- Identify a station location in the South Saskatoon area.

Other Ongoing Major Initiatives:

- Creation of Vacant properties/Buildings Bylaw.
- Continue building partnerships with Provincial Emergency Management and Fire Safety in the areas of disaster response, communications, and departmental certifications.
- Station headquarters upgrade to accommodate accessibility needs and communications upgrades.

Continuous Improvement

- The SFD has undertaken a thorough continuous improvement review and tabulated results on the budget impact will be realized during a late 2015 comparative study. The department is reviewing revenue sources and overviewing the operating expenditures. Included is a review on the operational effectiveness on the deployment of staffing.

POLICING

Operating Expenditure Budget: $89.6 million **Capital Budget: $1.8 million**

Strategic Goal: Quality of Life

Overview

Surveys from the public indicate that nine out of ten residents believe Saskatoon provides a good quality of life. Public safety is key to this perception, and is also essential in a healthy, growing community. Individuals, families, community groups, social agencies, businesses, and visitors all benefit from the many programs and services offered through the Public Safety business line.

The Police Service completed a core service review and decided upon its core responsibilities: Emergency Response, Quality Investigations, Traffic, and Community Involvement. The redeployment in 2007 positioned the Police Service in a very operational stance, with almost all sworn members directly dealing with the public. In an effort to further increase efficiency the Police Service will conduct a service review related to dispatch calls for in the spring of 2015.

The Saskatoon Police Service (SPS) works in partnership with the community to develop collaborative strategies to reduce crime and victimization. The Police Service, in partnership with City Council and the community, combine enforcement with proactive prevention, education, and early intervention strategies.

At A Glance

- SPS has 442.5 police officers, 58.5 special constables, and 132.61 civilians for a total of 633.61 staff members.
- There were 256,793 calls to the communication centre, and cars were dispatched to 71,790 calls for service.
- There were 10,733 arrests processed through the detention area.
- There were 34,845 traffic tickets issued.

Key Challenges

- Crime and social disorder challenges have accompanied Saskatoon's rapid population growth.
- Physical and population growth is straining the City's funding capacity while increasing pressure on human resources.
- Servicing a community with a large marginalized population facing poverty, poor housing, and non-inclusion. These are contributing factors to street and gang activity such as robbery, assault, theft, and vandalism.
- Increased vehicle traffic and road infrastructure congestion which has an impact on the number of traffic violations.
- SPS will require additional growth to meet the demands of an increasing population.
- Current demographics of the SPS result in salary increases attributable to (i) less turnover among senior staff, and (ii) new staff who will begin to move up the pay scale.

Major Initiatives 2015-2017

- Complete the move into the new police headquarters.
- New integrated traffic section with the RCMP, funded through SGI.
- Continue to reduce street crime, with emphasis on: robberies, thefts, and mischief.
- Create two Police and Crisis Teams (PACT). Pact partners a police officer with a mental health professional in a team. The team attends calls where their expertise is utilized to assist people in crisis.
- Continue developing a cultural diversity action plan for police to enhance community relations, cultural recruiting, and diversity training.
- Implement and train Traffic members to enforce new sections with the Noise Bylaw pertaining to vehicles. Decibel measuring devices will be purchased, traffic officers trained, and special clinics will be held to provide public an opportunity to have their motorcycles tested for noise levels without the risk of charges.
- Complete a 5-year business plan for 2015 - 2019.

Continuous Improvement

SPS continuous improvement plans for 2015 include:

- Service delivery review
- Administrative position review
- New payroll & scheduling system
- Regional traffic section integrated with the RCMP
- Freeze on Criminal Investigation Division vehicle purchases
- Freeze on portable radio purchases

RECREATION AND CULTURE

Operating Expenditure Budget: $53.6 million **Capital Budget: $16.2 million**

Strategic Goal: Quality of Life

Overview

The Recreation and Culture business line provides a wealth of opportunities for citizens to participate in and enjoy the benefits of sport, recreation, culture, and park activities. Such activities are a core element of Saskatoon's quality of life, and an essential part of individual and community health.

One of the City's over-arching goals is to encourage as many citizens as possible to take advantage of the recreation and cultural activities available. In order to do this, the Recreation and Culture business line operates a number of facilities, provides direct services and programs, and provides support to community-based organizations involved in delivering programs and services. Saskatoon's parks and open spaces provide areas for citizens to play sports, walk, wheel or bike along pathways, and play in playgrounds and paddling pools. In addition, river valley parks are home to many of Saskatoon's festivals and major seasonal special events enjoyed by citizens and visitors to the area.

At A Glance

- City-operated sport, culture, and recreation facilities attract over 1.5 million visits a year.
- The business line delivers paid admission programs and services, including swimming, skating, fitness, recreation, golfing, the zoo, and horticulture displays.
- During 2013 at leisure facilities, there were 14,350 registered program hours; 15,500 people registered in swimming lessons; 122,700 rounds of golf played; 68,100 hours available for drop-in programs; and, 35,200 hours rented to community organizations.
- During 2013, there were 273,100 visits to the Forestry Farm Park and Zoo, and 12,100 visitor nights at the Gordon Howe Campground.

- The business line supports community associations in providing 11,000 hours of year-round low cost or no cost neighbourhood-based sport, culture, and recreation programs to 12,000 registrants.
- Approximately 5,200 acres of park/open spaces and 145 kilometers of park pathways are maintained.
- There are outdoor sport fields for activities such as softball, baseball, soccer, slo-pitch, lacrosse, football, speed skating, rugby, and field hockey.
- The neighbourhood summer playground programs with visitation reaching 123,000 included the operation of 30 paddling pools, 17 spray pads, 11 youth centres, 2 travelling program vans, and 2 mobile skateboard animators.
- Provides venues for major sport, culture, and entertainment events, including Mendel Art Gallery, River Landing, SaskTel Centre, and TCU Place.
- Supporting 16 major culture organizations which attract approximately 700,000 annual visits.
- $2.75 million in inventory of public art is owned and maintained by the City.
- Recently facilitated a major donation of commemorative art work from Whitecap Dakota First Nation valued at $500.0.
- Supports various community-based boards and agencies which in turn provide programs and services in visual art, performing art, and cultural heritage, including the Marr Residence and Albert Community Centre.
- On average 1,200 trees are planted annually in reforestation projects and new park development.
- River Landing is 14.8 hectares (36 acres) of pathways, green space, public art, a seasonal concession, children's water play feature, Farmers' Market, public and private development, with almost 300,000 annual users of the riverfront trail.
- The public infrastructure for River Landing was completed in the fall of 2014 (outdoor adult fitness circuit and surrounding green space), and it is the location of many special events and major festivals including WinterShines, Subaru Triathlon, Mogathon, and the PotashCorp Fireworks Festival.

Key Challenges

- Keeping activities affordable and accessible to all residents.
- Reacting in a timely manner to the changes in sport, culture and recreation program trends, participant needs and preferences, and in response to a shift in demographics (e.g. seniors, newcomers, persons with disabilities).
- Aging infrastructure of recreation facilities such as the Forestry Farm Park and Zoo, outdoor pools, paddling pools, and recreation units. There is an increasing request to build new facilities such as ice arenas, cricket pitch, a winter activity park, an outdoor track & field facility, and ultimate frisbee fields.
- Addressing excess capacity of activity rental space at indoor Leisure Centres during low usage periods.
- Demand for riverbank parks is growing as the number and size of special events increase annually.
- As the City grows, parks in new neighbourhoods are located far from the centralized maintenance operation, requiring staff to spend increasing amounts of time traveling from the maintenance facility to the various parks.
- Designing and building parks that meet the needs of citizens while minimizing ongoing maintenance requirements.
- Increasing demands on community based organizations and volunteers to be delivery agents, along with increased needs of having to

report out and offer more and a wider variety of programs and services.

- Also there is a continued challenge to find more ways to expand partnerships, to leverage the funding available, and work in collaboration with the community in the delivery of community based programs.
- Finding sufficient staff to support our summer program needs for the duration of the season.
- Increased development of Naturalized Parks requires unique management vision, policies, goals, and maintenance strategies.

Major Initiatives 2015-2017

Implement the Following Priorities (4-Year):

- City Council identified a recreation facility located in one of the core neighbourhoods as a 4-year priority. The City has since been approached by the YMCA and the Saskatoon Tribal Council about a potential partnership for this city centre recreation facility. The Administration will undertake discussions about a potential partnership of a new recreation facility in a core neighbourhood.
- Develop and implement a new service delivery model that includes new satellite maintenance buildings and equipment strategically located geographically closer to parks in new neighbourhoods.
- Develop and implement a special event application and event monitoring process to ensure residents neighbouring special use parks are able to enjoy Saskatoon river valley during the special event and festival season.
- Develop a new "Naturalized Park" classification that will reflect the unique nature of the management vision, policies, goals, and maintenance strategies associated both with existing naturalized areas and new naturalized parks that will be established in accordance with the Wetlands Policy.
- Continued development of off-leash dog parks on available City-owned land or park space based on the approved program plan.
- In recent years, admission volumes at the Leisure Centres have been showing a decline, specifically in the sale and usage of LeisureCards. Based on a market survey conducted in 2014 there is evidence of admission price, quantity of recreation programs, and awareness levels of Leisure Centre facilities are impacting admission volumes. Additional research is being conducted that will identify possible admission price strategies and fee options that will increase attendance at Leisure Centres.

Implement the Following Long-Term Strategies (10-Year):

- Document and compile infrastructure deficiencies with respect to paddling pools and park/recreation buildings, and research potential options for the long term sustainability of these facilities, including solutions from other cities.
- Complete a review of the Park Development Guidelines in relation to new neighbourhood development and existing park upgrades so that the parks continue to meet the needs of citizens while providing ongoing maintenance in a cost effective way.
- Work with the Meewasin Valley Authority to complete the detail design for Chief Whitecap Park followed by construction of the north parking lot, installation of parking lot fencing, and off-leash dog park area, and the installation of site amenities (garbage cans, benches, dog waste dispensers).

Culture Plan:

- Establish a process to ensure the City's major infrastructure projects undergo a cultural assessment to determine opportunities to incorporate cultural expressions in civic spaces and places.

- Identify and move forward with necessary amendments to the Official Community Plan (OCP) to align with the Culture Plan.
- Continue to develop a database and map of cultural facilities, public art, heritage and civic institutions, and artist studio spaces.
- Continue to research and report-out on impacts and benefits of cultural investments and cultural spending; includes participation in the Department of Canadian Heritage's Cultural Statistics Strategy as well as in the Saskatchewan Partnership for Arts Research (SPAR) Arts Ecology Project, established by Saskatchewan Arts Alliance to examine how the arts work and how they are funded in Saskatchewan.

Other Ongoing Major Initiatives:

- Complete the construction of the PotashCorp Playland at Kinsmen Park that includes new rides (train, train station, Ferris-wheel, and carousel) and an adventure playground area.
- Implement a plan targeted at potential markets to increase activity space rentals during low usage periods at indoor leisure centres.
- Identify new opportunities for ongoing winter recreation programs at the neighbourhood level.
- Complete the construction of a new Zoo Entrance and Gift Shop Building.
- Completion of the Recreation and Parks Master Plan.
- Complete phase 2 construction of the Saskatoon Minor Football Field at Gordon Howe Park.

Continuous Improvement

- Implementation of recommendations resulting from the Parks Civic Service Review that was conducted in 2014.
- Improved customer service at the Saskatoon Forestry Farm Park & Zoo with the opening of the new entrance building and gift shop.
- Conduct a review of the processes and procedures to prepare staff work schedules at indoor Leisure Centres and outdoor pools.
- To explore alternate program registration vendor software to further enhance on-line registration improvements implemented in 2014.
- Review the overall playgrounds and recreation program supports - weekend versus weekday operations, spray pads versus paddling pools, neighbourhood based versus district based programming.
- Review and streamline the process for identifying the project scope, the design, concept plan and construction process for recreation units, and/or play structures.

TAXATION AND GENERAL REVENUES

Operating Expenditure Budget: $5.3 million **Capital Budget: $0.0 million**

Strategic Goals: Asset & Financial Sustainability

Economic Diversity & Prosperity

Overview

The property levy is the amount required from property taxes to balance the operating budget. This levy includes growth in the assessment roll over the previous year plus the requirements to fund the current year's budget. Supplementary taxes are levied on properties that were changed in the current taxation year and not a part of the original levy.

Grants-in-lieu of taxation are received from Federal and Provincial governments for properties they own but are exempt from taxation. These are equivalent to the property taxes calculated on these properties and application is made to the governments to pay this amount. In addition, the most significant portion of grants-in-lieu of taxation comes from civic utilities such as Saskatoon Light & Power (SL&P), water, wastewater and storm water. Civic utilities are treated like utility corporations that would pay taxes for using property, both above and below the surface, to conduct its business.

Included in the levy are amounts related to recently annexed properties. The annexation cost is amortized over the agreed upon number of years used to calculate the annexation provision to the RM of Corman Park and is expensed as Tax Loss Compensation.

Also included in this Business Line are General Revenues that are not dedicated for any particular purpose other than to fund general administration and the provision of any and all programs and services.

At A Glance

Preliminary Assessment Roll for 2014:

Total Assessment for Saskatoon $39,440,307,700

Total Number of Properties 87,662

Total Taxable Residential Condos 18,919

Total Taxable Residential (less than 4 units) 61,436

Taxable Assessment

Total Taxable Assessment $31,444,251,655

Taxable Portion ..... $24,119,798,399 (76.7% of total)

Exempt Portion ..... $7,324,453,256 (23.3% of total)

Key Challenges

- The inability of the property tax to fund a growing city.

Major Initiatives 2015-2017

Implement the Following Long-Term Strategy (10-Year):

- Investigate revenue sources to help alleviate pressure on the property tax levy.

TRANSPORTATION

Operating Expenditure Budget: $113.4 million **Capital Budget: $115.3 million**

Strategic Goal: Moving Around

Overview

Saskatoon is growing in geographic size as well as population. As the city grows, the challenges involved in safely and efficiently moving people, services, and goods around is become increasingly complex. The Transportation business line brings together a wide range of City services and programs, each of which plays an important role in meeting the transportation needs of the city.

Transportation involves planning, design, building, maintenance, operation, and regulation of the City's expanding transportation systems. This includes facilities for all modes of travel – pedestrian, bicycle, vehicle, and public transit. Saskatoon Transit provides fixed route service on designated bus routes as well as service for people with mobility issues. Discounted passes are offered to citizens with low income to assist with their transportation needs.

Transportation also involves traffic signal operation, parking control and enforcement, street lighting, seasonal lighting, sidewalk and back lane maintenance, traffic noise attenuation, street sweeping, and snow and ice management. In addition, it provides services for maintenance and rehabilitation (preservation) of all roadway assets including roads, bridges and overpasses, sidewalks, back lanes and pathways.

Finally, Transportation is about planning for the future. With some projections calling for Saskatoon's population to surpass the 400,000 mark by mid-century, a main focus of the Transportation business line is to explore innovative ways to efficiently move people, services, and goods, while minimizing environmental impact and promoting sustainability.

At A Glance

- Bridges and structures: five river crossings; 47 interchanges and overpasses; and, 21 pedestrian overpasses and tunnels.
- Roads and sidewalks: 4,005 lane kilometers of paved roadways; 200 lane kilometers of gravel roadways; 1,932 kilometers of sidewalks; and, 453 kilometers of back lanes.
- Public transit fleet is comprised of 39 conventional, 93 low-floor, 12 articulating, eight low-floor diesel/electric hybrid, six mid-sized low-floor and 26 Access Transit buses, for a total of 184 buses (all buses have bicycle racks).
- Transit operates 365 days a year, and has a passenger load of approximately 13.188 million rides per year (formula based), or 9.4 million rides per year (electronic measurement).
- 25 bus routes operate on 276 kilometers of streets.
- Total of 2,800 parking meters.
- Total of 275 traffic signals.
- Total of 520 traffic count stations.
- Total of 1.5 billion annual vehicle kilometers travelled in Saskatoon.
- Total of 26,764 work requests issued from Public Works Customer Service Center including: Roadways - 15,747; Water and Sewer - 9,944; and, Support Services - 1,073.
- Proportion of workers in Saskatoon commuting to work by car, truck or van, by public transit, on foot, or by bicycle, census metropolitan areas as provided by Statistics Canada, National Household Survey, 2011: Walking - 5.1%; Bicycle - 2.0%; Public Transit - 4.4%; and, Car, Truck or Van (Driver and Passenger) 86.5%.
- Total of 29,805 street lights.
- Total of 483 seasonal decorations on street lights.

Key Challenges

- The City of Saskatoon does not have the capacity to fund major transportation infrastructure to improve system capacity as the city grows, including interchanges and bridges. Currently, funding for this required infrastructure must compete with other projects and programs funded from property taxes or rely on one time external funding.
- Insufficient funding to preserve existing infrastructure while maintaining current pace of growth.
- Educating the public and creating awareness that all modes of traffic are equal and efficient choices.
- Maintaining the pace of growth and development while developing new policies under the Growth Plan within the *Growing Forward! Shaping Saskatoon* project.
- Recruiting and retaining skilled trades people and professionals in a competitive economic environment.
- Strengthening the collaboration between divisions to ensure minimization of gaps in the delivery of services.
- The levels of service need to be defined and updated for program deliverables with regards to changing expectations of the growing population and budget allocations.

Major Initiatives 2015-2017

Implement the Following Priorities (4-Year):

- Continue to implement a new Neighbourhood Traffic Management Process.
- Build the North Commuter Parkway project and Traffic Bridge.
- Establish a long-term Transit Plan with a vision of rapid transit corridors for Saskatoon to guide investment, transportation, and urban planning as part of the Growth Plan to 500,000.

BUSINESS LINES

- Implementation of the Intelligent Transportation System and significant software upgrades to improve transit customer experience.
- Continue to support the Province on the Perimeter Highway project.
- Explore options to improve the overall accessibility throughout the City including curb, sidewalk, and facility accessibility, as well as increase Access Transit infrastructure funding.
- Build interchanges at Boychuk Drive and Highway 16 and at Highway 5 and McOrmond Drive to improve traffic flows and enhance safety as the areas continue to develop.
- Utilize automated road condition assessment technology to provide a condition assessment of all of Saskatoon's roadways in an objective manner at the same point in time to truly assess the overall condition of the roadway network and to assist in establishing service levels for the repair and rehabilitation of our roadway network.

Implement the Following Long-Term Strategies (10-Year):

- Implement the 10-year transportation network priorities.
- Secure funding to meet approved service levels to promote repair and maintenance of our roads, lanes, sidewalks, and bridges.
- Increase transit ridership through education around public transit and provide service that is safe, convenient, reliable, and affordable.
- Continue to evaluate and define the condition of Saskatoon's Roadway network providing recommended funding levels to achieve the level of service endorsed by City Council.

Continuous Improvement

- Improve the level of customer service and the effectiveness of communications in all areas.
- Utilize innovative contracting to minimize impacts on traffic flows and ensure safety in work zones.
- Automate operations of the Sign Shop to better track work orders and provide more timely communication to the public on road closures.
- Begin implementing recommendations from the formal Civic Services Review of road design, construction, and maintenance programs to improve efficiency and long-range cost savings.
- Transit Administration will continue to seek cost effective improvements to the service for existing and future service including the utilization of software in the dispatch section to better align responsibilities and create efficiencies.
- Through automated and semi-automated data collection a proper baseline of the complete pavement condition will be created allowing for better decision making and funding allocation which will be reflected in the 2015 rehabilitation program.
- Formalize Levels of Service for all operations within Public Works which will enhance stakeholder awareness of the service delivery for each program, improve communications and understanding of program deliverables.
- Adjustment of scheduling within Public Works Roadways to provide better coverage over a seven day period which will reduce overtime requirements.
- A dedicated Customer Service Section will be created in the Public Works Division to better address customer inquiries.
- Investigate the application of anti-icing strategies to improve snow and ice management operations to improve motorist safety and ease of movement.

- Improve sanding operations by monitoring applications rates to improve traction during the winter and reduce spring street cleaning.
- Scheduling of snow removal in school zones will be modified to improve the safety of students and provide for more efficient snow removal. Communications with School Boards and Community Associations will also be reviewed.
- Parking meter upgrade project will improve the efficiency of coin collection and meter maintenance operations.
- Improved coordination between responsible divisions for boulevard/median cleaning and street sweeping to provide for a more effective and efficient program which will provide for a cleaner roadway.

URBAN PLANNING AND DEVELOPMENT

Operating Expenditure Budget: $13.9 million **Capital Budget: $2.4 million**

Strategic Goals:
- Quality of Life
- Economic Diversity & Prosperity
- Sustainable Growth

Overview

The primary goal of the Urban Planning & Development business line is to build an increasingly sustainable community over time with an enhanced quality of life, which is consistent with the vision and core strategies of the City's Strategic Plan. This is accomplished through the provision of several interrelated services:

Neighbourhood Sustainability

- Renewing and sustaining existing areas of the City through local area plans, neighbourhood rejuvenation projects, CPTED reviews, incentives for supportive and attainable housing, and effective licensing and civic bylaw enforcement. This includes a renewed focus on improving the City Centre and increasing perceptions of safety by linking people in need with appropriate supports through the Community Support Officers.

Support for Economic Development

- Encouraging economic development through collaboration with local and regional business organizations, assisting the start-up of new businesses, and providing advice and timely reviews for new development applications. This means working with our regional partners to build capacity and accommodate development in an economically and environmentally sustainable region.

Growing Forward! Shaping Saskatoon

- Planning for the future growth of the City requires a development plan which links land use, public transit and infrastructure in ways that are more effective, efficient and sustainable. The City's new Growth Plan to 500,000 is currently under development and will contain growth strategies for the next 30 years which will guide Saskatoon to a more sustainable future.

Permits, Licensing, and Inspections

- Providing timely reviews of building permit and development applications, and performing building and plumbing inspections, to ensure the health and safety of owners and occupants. Effective licensing of new and established businesses ensures a healthy and fair marketplace helping people and businesses to thrive.

Quality Design

- Enhancing the quality of public spaces throughout the City through streetscape master plans and urban design projects in key areas such as the downtown, business improvement districts and key corridors. This includes development of design guidelines for neighbourhood infill and strategic area development.

Partnerships

- Working with community partners, Business Improvement Districts, and builders to ensure an adequate supply of attainable housing choices, including support for homelessness initiatives. This includes continually monitoring the quality of life in our community, with our partners at the University of Saskatchewan and the Saskatoon Health Region, to facilitate the ongoing evaluation of our Strategic Plan performance.

In recent years, it has become increasing apparent that the sustainability of our community, from an economic, environmental, social and cultural perspective, will require new approaches to the way we plan and build our city.

Clear, concise communication with City Council, excellent customer service for our clients, and meaningful consultation with our stakeholders are foundational principles upon which the Planning and Development business line operates.

At A Glance

- Saskatoon continues to grow, with an estimated 254,000 people in the city and over 300,000 in the region. It is estimated that Saskatoon has grown by over 8,000 people in the last year.
- It is projected that 10,500 licensed businesses will exist in Saskatoon by end of 2014 - an increase from approximately 8,455 in 2008.
- Over 320 property-use complaints are received each year, along with 393 landscaping and parking inspections completed.
- Over $16.4 million in funding towards Attainable Housing initiatives which produced over 3,600 new units since 2008.
- It is estimated that over 5,000 building permits will be issued in 2014, with an estimated construction value of over $1.0 billion dollars.
- There are 12 neighbourhoods with approved Local Area Plans (LAP), with one LAP nearing completion, and one underway.
- There has been $4.85 million in streetscaping projects completed on 20th Street and Central Avenue since 2012.
- Over $2.4 million in funding has been approved for various projects under the Vacant Lot and Adaptive Reuse Incentive Program, which supports and encourages infill development on chronically vacant sites and the adaptive reuse of vacant buildings within Saskatoon's established neighbourhoods.
- In 2014, four major new neighbourhood concept plans and amendments were processed and presented for City Council for adoption (Brighton, Rosewood, Aspen Ridge, and Elk Point).

BUSINESS LINES

- The Saskatoon North Partnership for Growth (P4G) is currently developing a new Regional Plan with four regional partners. This is due for completion by June 2016.
- Since 2007, the Planning and Development Business Line has added 16 new services and expanded the scope of 20 existing services to meet the demands of one of the fastest growing cities in Canada.

Key Challenges

- Short-term, ad hoc funding for the Attainable Housing Business Plan is challenging and does not permit adequate project development and funding certainty.
- Revitalization of the City Centre will require careful timing and creative approaches and financing strategies to ensure public realm improvements and parking strategies meet expectations in the community, and increase demand for City Centre development.
- Community and market acceptance of new approaches to moving around and major corridor redevelopment in established areas. Public acceptance and design quality are two key elements which must be maintained for the City's new Growth Plan to 500,000 to be successful.
- New standards emerging for new forms of mixed use developments and higher densities. The challenge is community acceptance and appropriate mix to ensure land use compatibility.
- The development of University lands as outlined in the Vision 2057 Master Plan will require a streamlined but comprehensive approval process. This will require significant public consultation to ensure over 1,000 acres of new serviced land is integrated into the community.
- Major infill development requires a careful approach to timing of servicing, enhanced design and new development standards.
- Rising population densities and more mixed use development will make business licensing process, and zoning bylaw enforcement, more complex.
- Rapid growth can outstrip the ability of a city government to 'stay out front' and create the necessary framework for growth.
- Recognition and acceptance of benefits of long range planning in rural areas.
- Acceptance of principles to guide appropriate transitional uses in future urban growth areas.
- The complexities of establishing a new regional governance and administrative entity to implement the Regional Plan.

Major Initiatives 2015-2017

- Work collaboratively with all Civic Departments and external stakeholders to complete the Mayfair and Kelsey Woodlawn, Meadowgreen and Montgomery Place Local Area Plans.
- Establish a Local Area Plan renewal process to review and update the earliest Local Area Plans with community stakeholders.
- Complete a community engagement process to revisit the South Caswell Concept Plan in preparation for redevelopment following the move of Saskatoon Transit to the new Civic Operations Centre.
- Amended Blairmore Concept Plan is currently in progress with completion in 2015.
- Holmwood Sector Plan amendments will be completed by the end of 2015.
- Complete North Sector Plan and present for City Council adoption.
- Complete construction of the 20th Street West Streetscape and the Central Avenue Streetscape Master Plans.
- Complete the Pleasant Hill Village Project by successfully securing builders for the three

remaining development sites in Pleasant Hill Village, and complete the coordination of all remaining project elements. Review the funding source for the Urban Design - Business Improvement District program to better meet community expectations and the goals of the City Centre Plan. Revising the current formula for allocating Parking Meter Revenue is a priority.

- Successfully conclude the Community Support Program pilot project and make recommendations to City Council on the future of the program.
- Complete a new Heritage Registry.
- Amend Zoning Bylaw to implement the new Neighbourhood Level Infill Development Guidelines.
- Long Range Transportation Plan to be prepared following the adoption of the Growth Plan to 500,000 by City Council.
- Active Transportation Plan is currently in progress as part of the Growth Plan to 500,000 and is expected to be completed by the spring of 2016.
- Expand the capacity of the Urban Design City-Wide Program with a stable funding source to enable continued construction of streetscape projects aligned with the Growth Plan to 500,000. Capacity in the Urban Design program will be increased to meet the needs of the new Growth Plan.
- Establish a new corridor redevelopment program to address the priorities and goals of the Growth Plan to 500,000. Land use, design, streetscaping, and transition to adjacent neighbourhoods will be important considerations.
- The Financing Growth Report will be completed with recommendations to explore new funding models to economically implement the new Growth Plan to 500,000.
- The Employment Area Plan is currently in development as part of the Growth Plan to 500,000 with completion expected in 2015.
- Draft Land Use Map and an Interim Development Strategy to guide development in the Regional Plan study area before the Regional Plan is finalized.
- Inform and engage First Nations and Metis about Regional Growth Planning through educational materials, events, and face to face meetings.
- Pursue legislative changes to allow for the collection of development levies in advance of urban development.
- Comprehensive review and re-write of the Building Bylaw to reflect current legislative requirements and to remove or add relevant items.
- Develop and implement an occupancy permit or approval process.
- Investigate the feasibility of updating the Plumbing Permits Bylaw to include enforcement tools.
- Secure permanent funding for the City's 10-year Housing Business Plan.
- Develop an interim funding strategy for the Urban Design - City Wide Program in order to continue current initiatives and align the program with priorities established in the new Growth Plan to 500,000, to be delivered to City Council in the fall of 2015.

Continuous Improvement

- Continue the Internal Process Review to identify efficiencies in the Business License program as well as the Bylaw Compliance program and continue to meet service levels.
- A review of the process for the issuance of Building and Development Permits within both the Building and Plumbing Permits and Standards Division as well as the Development Review Section. This process review will help to identify steps which do not add value to the process of reviewing applications and issuing building, plumbing and development permits.

BUSINESS LINES

- A second process review will look specifically at the process of circulating and reviewing major land use applications both within the Planning and Development Division and within key departments in the corporation. This process review will look for ways to improve the time it takes to receive comprehensive comments from multiple stakeholders.
- Continue development and enhancement of online initiatives for better customer service.

UTILITIES

Operating Expenditure Budget: $289.3 million **Capital Budget: $59.8 million**

Strategic Goal: Asset & Financial Sustainability

Overview

Electricity, quality drinking water, treatment of wastewater, storm water management and residential recycling are basic amenities provided through the Utilities business line. Utilities is not only responsible for keeping the lights on, taps flowing, and toilets flushing, it is also responsible for the long-term, sustainable management of Saskatoon's water and energy resources.

Saskatoon Light & Power provides safe, reliable, and cost-effective electricity to its customers in an environmentally responsible way. The Water Treatment Plant and water distribution system deliver treated water to households, businesses, institutions, and users outside the city limits on a cost recovery basis. The Wastewater Treatment Plant treats wastewater that is delivered to the Plant by an extensive network of pump stations and underground pipes, and returns high quality water back to the South Saskatchewan River.

The storm water management system is a separate network designed to drain storm water away from streets and buildings. Waste Services manages the residential recycling and yard waste collection programs.

Fees generated by services within the Utilities business line are an important source of revenue for the City. In the 2015 budget, contributions of $53.5 million are available to the City in order to help offset property taxes and fund various municipal projects.

At A Glance

- Saskatoon Light & Power's distribution network includes 1,171 kilometers of overhead lines and 615 kilometers of underground power cables.
- The Water Treatment Plant treats approximately 43.3 million cubic meters of water per year. The water distribution system is comprised of 1,087 kilometers of water mains, 13,165 valves, 6,713 hydrants, and 69,692 service connections.

BUSINESS LINES

- The Wastewater Treatment Plant treats approximately 33 million cubic meters of wastewater per year. The waste water collection system is comprised of 993 kilometers of sanitary mains, 10,963 manholes, 43 force mains, and 69,338 service connections.
- The storm water management system includes 680 kilometers of storm sewers, 12,000 catch basins, 20 wet ponds, 8 dry ponds, 3 natural ponds and 2 constructed wetlands.
- Curbside recycling services are provided bi-weekly to 66,000 homes and multi-unit recycling services are provided to 35,000 apartment and condominium units.
- Compost depots receive approximately 20,000 tonnes of leaves, grass, and branches annually.

Key Challenges

- Significant growth throughout the City, including increased infill development within the downtown core, has placed new demands on existing infrastructure. Expansion and upgrading of the water, wastewater, and electrical systems will be required to continue to meet this demand.
- Infrastructure upgrade and capital expansion strategies, similar to that developed for the Water Treatment Plant in 2009, have been developed for the Wastewater Treatment Plant to ensure that the system can continue to meet the needs of current and future customers. These strategies are a key input to the development of appropriate funding solutions which are required to ensure appropriate re-investment in our infrastructure.
- The City continues to strive to become more self-sufficient from an energy perspective. Opportunities to expand the Green Energy Park continue to be explored.
- Saskatoon is currently in the wettest decade in the city's recorded 115 year history. The average annual rainfall in Saskatoon is 262 millimeters and in the past ten years all but three years have exceeded this. June 2014 alone was the second wettest June on record next to 1942. This current condition results in a higher frequency of major storm events and an increase in the groundwater table. These factors can strain and challenge the current storm water management infrastructure.
- Reduced Water and Wastewater Utility Revenue due to wetter than normal weather, decreasing water demand.
- Recyclable materials continue to be sent to the Landfill, filling up this finite asset. More education is required to help residents expand their recycling habits to maximize the potential of recycling programs.

Major Initiatives 2015-2017

- The Wastewater Utility is proceeding with a $10.0 million odor abatement capital project. Construction is scheduled to be complete in 2016. It is estimated that this work will reduce approximately 76% of all odor emissions during normal operation.
- A surface flooding control strategy has been developed which will provide recommended remedial options to the critical flood zones in Saskatoon. This strategy will provide a long term plan to construct flood control measures to reduce the frequency and severity of surface flooding due to rain events.
- Saskatoon Light & Power will continue to explore options for new green energy generation projects. Potential future projects include a hydropower project at the Saskatoon Weir and a solar project at the Saskatoon Landfill. Comprehensive assessments of these projects will be completed to determine project viability.

- At a cost of $22.2 million, construction will continue into 2015 to expand the 42nd Street water reservoir and add a new pumping facility to service the industrial and northeast residential areas.
- Upgrades to the filter infrastructure at the Water Treatment Plant at a cost of $8.3 million will ensure continued filtration reliability of the plant and automation of controls.
- Transfer pumping and electrical upgrades at the Water Treatment Plant at a cost of $13.5 million will provide dedicated efficient pumps to transfer water to the Avenue H Reservoir facility.
- An investment of $9.0 million will be made to upgrade existing lift stations integral to the waste water collection system to improve efficiency and reliability.
- Due to growth, the Wastewater Treatment Plant will require an additional fourth digester at a total cost of $20.0 million. Design of the digester will begin in 2017.
- A Capital Development Planning Study was completed in 2012 to review the condition of the City's electrical distribution system against industry standards. A Bulk Power System Planning Study was also completed in 2014 to review the transmission system's ability to meet growth requirements in the future and to identify critical renewal projects involving transmission power lines and major substations. Work will continue in 2015 to develop an appropriate funding strategy to address these infrastructure renewal issues.
- Conservation education programs will continue in an effort to help ensure citizens understand how they can reduce costs and lower their environmental footprint.
- Continue to expand curbside collection of organics through the Green Cart Program.
- Seek and maintain accreditation for the Environmental Lab located at the Waste Water Treatment Plant and maintain accreditation at the Water Lab at the Water Treatment Plant.

Continuous Improvement

- Work will begin on the implementation of an asset management system for Saskatoon Light & Power in 2015 and is scheduled to be completed in 2017. The system will assist the Utility in making decisions to optimize maintenance and renewal strategies.
- Implementation of an Advanced Metering Infrastructure (AMI) system in 2015 will provide the communication network for data to be sent digitally from smart meters to the City. AMI will reduce lost revenues and decrease operating costs for the utilities while improving customer service by providing actual meter reads each month. Installation of smart electricity meters will continue in 2015 and will be completed by 2017. Installation of communication modules on water meters will begin in 2015 and will be completed by 2019.

LAND DEVELOPMENT

Operating Expenditure Budget: $8.4 million **Capital Budget: $147.8 million**

Strategic Goal: Asset & Financial Sustainability

Sustainable Growth

Overview

This document includes the City of Saskatoon's 2015 Land Development Operating and Capital Budgets. The document focuses on three business lines, Saskatoon Land, Corporate Projects and the Land Development Capital Projects program, each devoted to ensuring an adequate supply of new infrastructure is in place to accommodate new development and core civic services. A healthy land development industry plays an important role within an expanding economy. It provides the base upon which immediate and future growth will thrive.

Saskatoon has witnessed considerable economic growth in recent years - growth that would have been constrained if sufficient land had not been available for development. The Land Development business line responds to the needs of a variety of customers in the housing, commercial, institutional and industrial sectors. It invests capital dollars in the provision of municipal infrastructure and creates demand for durable products and employment. This adds value to the economy and encourages job growth, positive net migration and other important multiplier effects.

Over the past five years significant investment has been made to accelerate infrastructure extensions into new developments in the Holmwood, University Heights, Blairmore and Marquis Industrial Sectors. These new growth areas and various infill developments, like the North Downtown redevelopment plan, will play a vital role in providing the serviced land that will accommodate new housing and commercial investment in our city over the next five to ten years.

Projections for growth in our community remain positive with most economic indicators suggesting continued population and employment growth that will require investment in new infrastructure to satisfy demand for serviced land. The 2015 Land Development Budget submission includes the funding plan required to accommodate a continuation of this growth. Should significant changes in demand for serviced land in Saskatoon occur, subsequent annual capital budget submissions will be adjusted accordingly.

The City of Saskatoon is unique in that it is a land developer. Saskatoon Land operates on a level playing field with the private sector. It is mandated to: ensure adequate levels of serviced residential, institutional and industrial lands are available at competitive market values, to provide innovation and leadership in design for new growth, and provide financial returns at competitive rates of return on investment to the City for allocation to civic projects and programs. Saskatoon Land is operated on a for-profit basis, with 100% of the surplus funds allocated for reinvestment in the community.

Another essential element in ensuring success of the land development business objectives is performed by Real Estate Services. This Section of Saskatoon Land is responsible for all real estate functions and activities for the Corporation including the acquisition of future development lands and all corporate land requirements, administering of both internal and external leases, farm leases, coordinating and overseeing the maintenance of lands held for future development, providing valuations and real estate advice to the Corporation as a whole. This section is also responsible for the planning and implementation of the City of Saskatoon's corporate accommodations plan.

The Land Development Capital Program includes the construction of arterial roadways, trunk sewers, primary water mains, roadway interchanges, lift stations, and suburban park development. These projects are funded from the collection of off-site levies collected from all land developers and are necessary for the City to support continuous urban growth.

At A Glance

- Since 2007, City Council has committed over $119.3 million from the City's Neighbourhood Land Development Fund towards a variety of projects, including the recent roadway maintenance investments, Pleasant Hill neighbourhood revitalization, Mayfair pool reconstruction, affordable housing incentives, local area road upgrades, operating budget contributions, and designated future land acquisitions.
- Development levies collected from pre-paid servicing rates are used to fund installations of trunk sewers, arterial roads, storm ponds, lift stations, park development, primary water mains and a portion of new roadway interchanges.

Key Challenges

- Providing adequate amounts of serviced land to meet supply objectives while ensuring the significant financial risk associated with investment in land development projects is managed responsibly.
- Implementing the new vision and strategic priorities from the evolving Growing Forward Shaping Saskatoon Project has been challenging in a regulatory environment that has yet to clearly establish policies and design standards for these important planning elements.
- Maintaining sufficient supply of banked raw land to ensure the City's Land Development operation is viable and continues to deliver steady returns on investment well into the future.
- Rapid growth straining the City's funding capacity for offsite services while increasing pressure on existing infrastructure. Construction of new subdivisions along with infill development puts a strain on our existing infrastructure as trucks and heavy machinery use our roads, back alleys, etc. to travel to and access job sites often causing damage in the process that needs to be repaired.

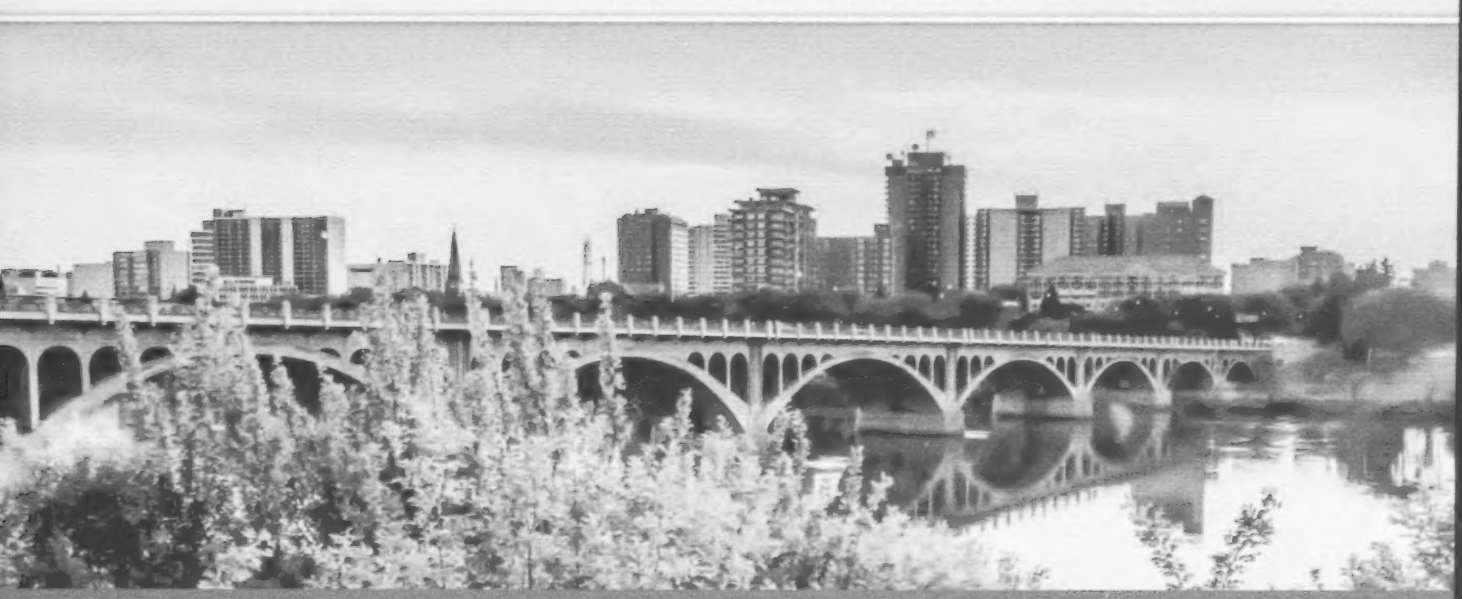
BUSINESS LINES

Major Initiatives 2015-2017

- The initial phases of the Aspen Ridge neighbourhood will be serviced to accommodate new single family dwelling construction; 2015 - 378 lots, 2016 - 411 lots, 2017 - 334 lots.
- In Kensington, 278 single family lots will be serviced by the City in 2015.
- The Elk Point neighbourhood concept plan will be submitted for approval in 2015. Pending approval, 258 single family lots will be serviced by the City in 2015, with a further 332 lots in 2016, and 300 in 2017.
- Continue analysis of potential land assembly to initiate infill development on City-owned parcels throughout the city.
- Neighbourhood Concept plans for the next new neighbourhoods in the Blairmore Suburban Development Area and University Heights Suburban Development Area will be prepared and submitted to Planning and Development for initial review and public consultation.
- A total of 52 acres of multi-family land will be serviced in 2015, with a further 27 acres in 2016, and 48 acres in 2017.
- In the Marquis Industrial Area, 116 acres of land will be serviced in 2015, with a further 105 acres in 2016, and 30 acres in 2017.
- New arterial road construction includes Fedoruk Drive, Central Avenue, McOrmond Drive, and Zimmerman Road.
- Trunk sewer extensions in the following locations: trunk piping and storm ponds in Aspen Ridge, Elk Point, Brighton, and the Marquis Industrial Area.
- Primary water mains and fill mains situated in Aspen Ridge, Elk Point, Brighton, and the Marquis Industrial area.
- Development of new parks in Montgomery, Parkridge, Stonebridge, Rosewood, Evergreen, and Kensington is estimated at $8.95 million for 2015.

Continuous Improvement

- Implement the use of decorative cast-in-place concrete fencing for neighbourhood entrances instead of masonry block fencing. These new concrete fencing alternatives replace masonry block fences and are attractive, cost less, and can be constructed in less time.
- Perform a corporate wide department survey to quantify future land and office space requirements to plan better for future real estate needs.



SUMMARY OF THE 2015 CAPITAL AND OPERATING BUDGETS

The City of Saskatoon provides the infrastructure and delivers several programs and services necessary to maintain and enhance the city's high quality of life. Roads, bridges, pathways, and public transit that move people; police, bylaws and fire services to keep people safe; parks, waste management, and drainage to keep neighbourhoods clean and healthy; social programs and leisure activities to make Saskatoon a great place to live, work, and visit. These core areas reflect the top priorities of the City of Saskatoon and the public it serves.

To achieve these priorities, the City of Saskatoon prepares an annual business plan and budget that allocates the financial, human, and technological resources to infrastructure and various programs and services.

The City of Saskatoon's Capital Budget provides the investment in Saskatoon's hard infrastructure. This includes the construction of buildings like recreation centres and libraries, transportation assets like new roads and bridges, and neighbourhood infrastructure like sidewalks and water lines.

The City of Saskatoon's Operating Budget identifies the costs for all day-to-day civic services and programs that the people of Saskatoon rely on every day. It also identifies the sources of revenue to pay for those services, including property taxes, utility rates, and user fees.

According to Provincial Legislation, the City of Saskatoon must produce a balanced budget each year. In other words, the City is not permitted to budget for a deficit or a surplus. As a result, the City collects the amount of tax required to balance the budget after all other revenue sources are considered. The City collects revenue from five sources: property taxes, general revenues, user fees, government transfers and grants-in-lieu.

SUMMARY OF THE 2015 CAPITAL AND OPERATING BUDGETS

The City of Saskatoon's 2015 Budget (including Utilities and Land Development) includes a combined capital and operating investment of approximately $1.1 billion, comprised as follows:

- **2015 Capital Budget: $373.4 million**
- **2015 Operating Budget*: $728.4 million**

  *** Made up by the following categories:**
  Civic Services - $430.7 million, Utilities - $289.3 million, Land Development - $8.4 million

Citizen input has confirmed that improving Saskatoon's road network is the top priority for both the City and its residents. To address this issue, starting in 2014, the City of Saskatoon implemented an aggressive plan to allocate more resources to its road network and their related services, including snow and ice clearing and street sweeping.

As part of the City of Saskatoon's Strategic Goal on Asset and Financial Sustainability, the City implemented an Asset Management Plan that uses defined service levels to set targets and corresponding funding plans to achieve performance targets.

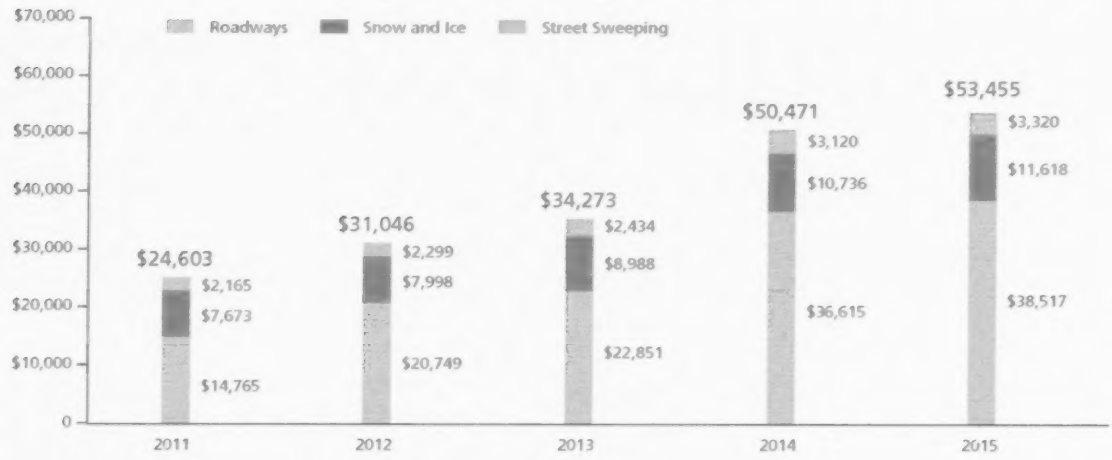
City Council has set a Service Level "B" for roadway condition which identifies a need to fund the gap that exists between the current and targeted service level. Service Level "B" means "Getting Better" – sufficient expenditures to increase asset condition / value and decrease backlog slowly over time. Once the backlog is eliminated the funding is sufficient to maintain the condition without a backlog.

The 2015 Capital and Operating Budget builds on this plan and invests approximately $53.5 million to improve road conditions. As noted in the graph on the next page, this is an increase of $3.0 million from the 2014 Budget and over double the investment since 2011.

In order to accomplish the objectives of this aggressive plan, the 2015 Operating Budget includes a property tax increase of 1.94% that is strictly dedicated to improving Saskatoon's road network.

Over the past four years funding for Neighbourhood and Primary Network Renewal programs for the roadway assets has been steadily increasing as shown in the graph below. In 2015, $38.5 million in total operating and capital investments will be dedicated to the maintenance of roads and sidewalks which is a $15.6 million increase over 2013. (This does not include expenditures for street sweeping or snow removal.)

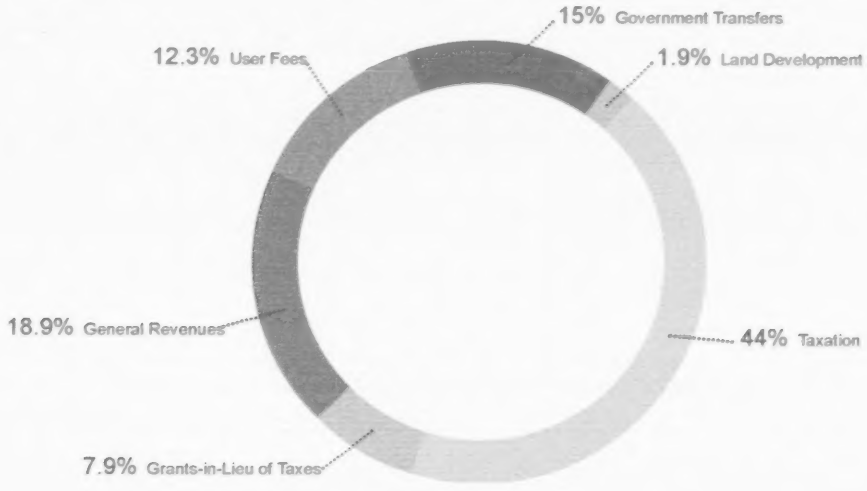
Roadways Investment Total - Including Back Lanes and Boundary Roads
(in thousands, expenditures only)



PROPERTY TAX

In preparing the 2015 Corporate Business Plan and Budget, many inputs were considered by the Administration when allocating the resources to specific program, services and projects. Major trends and issues were examined to form the framework of the Plan and Budget, resulting in a greater focus on meeting the outcomes identified in the business plan and operating budgets.

While the City of Saskatoon tries to minimize property tax increases, the reality is that it derives its revenues from very few sources. As shown in the chart below, 44% of the City of Saskatoon's 2015 operating revenues come from property taxation.



SUMMARY OF THE 2015 CAPITAL AND OPERATING BUDGETS

The following chart shows how total property tax dollars are distributed for 2015. The chart reveals that a little more than half of all property taxes collected go to the City of Saskatoon for the delivery of key services like municipal policing, fire protection, and public transit.

To help pay for the City's operations, the 2015 Operating Budget includes a municipal property tax increase of 3.19%. This increase will generate an additional $5.6 million for the City of Saskatoon. (This excludes amounts dedicated to traffic noise attenuation and to roadways)

In addition, 0.2%, or $0.3 million, has been added for the debt repayment on future traffic noise attenuation projects and 1.94%, or $3.4 million, has been added which is dedicated to the maintenance of roadways.

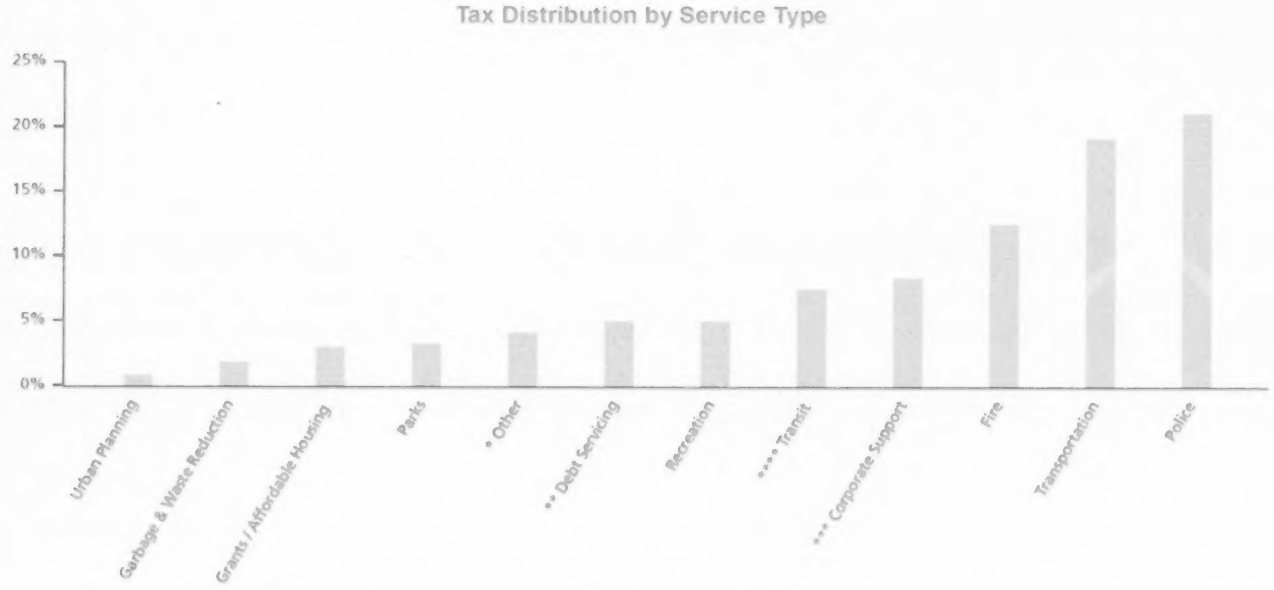
The following table illustrates the details of the 2015 property tax increase for Civic Services, Policing, and the dedicated increases for Roadways and Traffic Noise Attenuation.

	Expenditures	Revenues	Mill Rate Increase	Percent Increase
Civic Mill Rate (before Fire Services and Capital Contributions)	9,233,900	(13,368,200)	(4,134,300)	-2.38%
Total Fire Mill Rate Increase	3,510,600	(1,321,600)	2,189,000	1.26%
Total Capital Contributions	3,749,900	0	3,749,900	2.15%
Total Civic Services Mill Rate Increase	16,494,400	(14,689,800)	1,804,600	1.03%
Total Police Mill Rate Increase	5,650,900	(1,896,400)	3,754,500	2.16%
Total Municipal Tax Increases	22,145,300	(16,586,200)	5,559,100	3.19%
Dedicated Roadways	3,377,200	0	3,377,200	1.94%
Dedicated Traffic Noise Attenuation	348,200	0	348,200	0.20%
Grand Total	**25,870,700**	**(16,586,200)**	**9,284,500**	**5.33%**

The approved property tax increase of 5.33% means that a homeowner who owns a single-family detached home with an average assessment of $325,000 will see their municipal property taxes increase by the approximate amounts categorized in the following table:

	Municipal Tax Increase Per Average Household $325,000 Assessment	Approximate Total Increase	Approximate $ Per Month
Municipal Operating	3.19%	$50	$4
Traffic Noise Attenuation	0.20%	$3	$0
Dedicated Roadways	1.94%	$30	$3
Total	5.33%	$83	$7

The following graph shows that the percentage of municipal property tax collected by the City of Saskatoon is shared between the various services the City provides.



** Other includes street lighting, urban forestry, pest management, animal services, cemeteries and facilities, withholding costs and property annexation costs*

*** Debt Servicing includes provisions for current and future debt servicing*

**** Corporate Support includes the offices of the City Manager, City Clerks, City Solicitor , Finance, Revenue, Assessment & Taxation, Information Technology, Human Resources and General Administration*

***** Includes Access Transit*

In Saskatoon, property taxes are determined by applying the following formula to each taxable property in the city:

Taxable Assessment x Mill Rate x Mill Rate Factor = City of Saskatoon Tax

SUMMARY OF THE 2015 CAPITAL AND OPERATING BUDGETS

The taxable assessment for an individual property is determined in accordance with provincial legislation. In Saskatchewan, property assessments are updated every four years. Saskatoon's last property reassessment was completed in 2013 which is based on a property's market value as of January 1, 2011. The next revaluation will take place in 2017 using values as at January, 2015. The City of Saskatoon continues to lobby the Provincial government to reduce the number of years in the City's assessment cycle.

The City uses a mass appraisal valuation approach when conducting residential assessments. With this approach, property values are a reflection of their market value, the most probable sale price of a property, on a given date. Statistical models (mathematical formulas created through an analysis of sales and property characteristics) are the most economical way to determine property values. Differences in values are based on property characteristics. Using these models ensures equity as similar properties will have a similar assessment value.

For residential assessments, some of the factors used to determine value include the location (neighbourhood) of the property, traffic patterns around the property, views, and the property structure. Adjustments are made for factors including size, age, style, garage, etc. Factors that do not directly influence an assessment include the plumbing details, whether or not the property has a deck, landscaping, a back lane, or if the property is affected by broad based influences such as aircraft noise.

Non-residential assessments are calculated by using any of the three currently accepted approaches to value in conjunction with mass-appraisal process. The most commonly used approach in the City of Saskatoon is the property income (rental) approach.

The other variables that affect the property tax calculation are Mill Rate and Mill Rate Factors.

A uniform mill rate is set after the budget has been approved to allocate the property tax levy to each taxing authority by dividing the tax required by the total taxable assessment in Saskatoon, per $1,000 of taxable assessment.

Mill rate factors are used to determine the proportion of tax revenue that each property class will pay. There are three main property classes: residential/condominium, multi-residential, and commercial/industrial.

MILL RATES

Uniform Mill Rate

The Municipal and Library taxing authorities have established their uniform mill rates to reflect the requirement to finance operations while the two School Boards have their mill rates set by the Province as announced in the Provincial Budget.

The 2015 Uniform Mill rates, identified in the following table, the property tax requirements by taxing authority over the past three years:

Taxing Authority	2013	2014	2015
Municipal	6.7894	7.2566	7.6300
Library	0.7248	0.7353	0.7657
Total	7.5142	7.9919	8.3957

The Provincial Government set province-wide mill rates by class for education. The 2015 education mill rates are as follows:

2015 Education Mill Rates	
Residential, Condominium, Multi-residential	5.03
Agricultural	2.67
Commercial	8.28
Resource/Pipeline	11.04

Mill Rate Factors

Mill Rate Factors serve to redistribute uniform mill rate revenues between property classes. The establishment of mill rate factors on an annual basis is not dependent upon establishing the uniform mill rate (which raises revenue for each taxing authority), but is based on tax policies set by City Council.

Two items impact the 2015 mill rate factors:

First, in 2001 City Council adopted a Tax Ratio Policy such that non-residential properties would pay property tax at a rate of 1.75 times that of residential properties by 2010. The 2015 Mill Rate Factors reflect the maintenance of this ratio for the municipal (City and Library) portion of the taxes. Provincial Government legislation does not allow for mill rate factors to be applied to the education portion of the property taxes.

Second, the 2015 tax roll experienced growth, but not evenly through the property classes. The Mill Rate Factors have been adjusted to ensure the 1.75 tax ratio is retained.

Mill Rate Factors

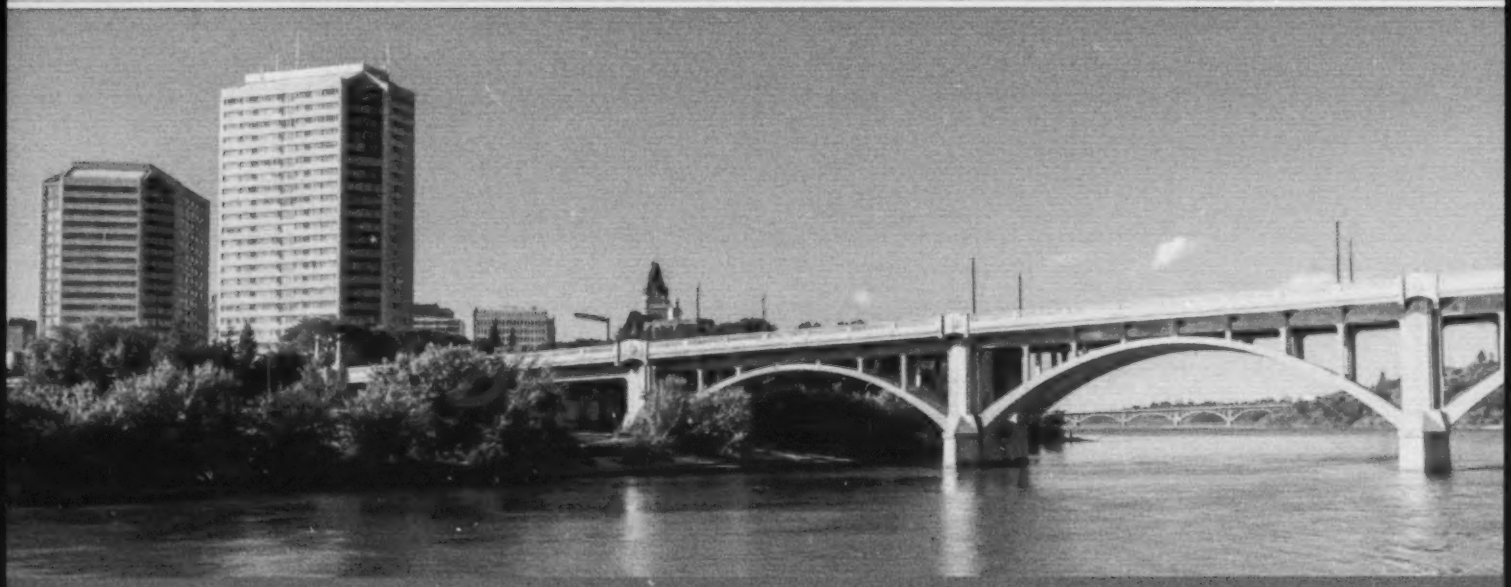
Property Class	2013	2014	2015
Residential	0.9411	0.9448	0.9447
Condominiums	0.9411	0.9448	0.9447
Multi-unit Residential	0.9411	0.9448	0.9447
Commercial	1.1765	1.1684	1.1676
Privately-owned Light Aircraft Hangar	0.6588	0.6613	0.6613

SUMMARY OF THE 2015 CAPITAL AND OPERATING BUDGETS

Effective Tax Rates

Effective Tax Rates are a way of expressing taxes as a percentage of the fair value of property. The 2015 uniform mill rate and mill rate factors result in the following effective tax rates for the City and Library portion of the taxes.

Property Class	2013	2014	2015	2015 Taxes per $325,000 of Assessed Value
Residential	0.847	0.881	0.907	$2,949
Condominiums	0.847	0.881	0.907	$2,949
Multi-unit Residential	0.847	0.881	0.907	$2,949
Commercial	1.712	1.762	1.808	$5,877



THE CITY OF SASKATOON'S 2015 OPERATING BUDGET

The 2015 Operating Budget (excluding Utilities), has total expenditures of approximately $439.1 million.

As required by provincial legislation, the City of Saskatoon must balance its operating revenues with its operating expenditures. Consequently, the City is prohibited from approving a budgetary deficit or surplus in any given year. Although a surplus or a deficit may arise at year-end, the operating budget must be balanced.

The City has developed a Municipal Price Index (MPI) using the City's "basket of goods" such as fuel, asphalt, electricity, facility/equipment repairs, and maintenance costs. The MPI is a better estimate for the City instead of the Consumer Price Index (CPI) because the CPI is a measure of inflation for average households and measures items such as rent, food, household expenses, and education. Other cities in Canada have also begun calculating this MPI to help understand the rising cost of municipal purchases and also to assist in the forecast of future expenditures.

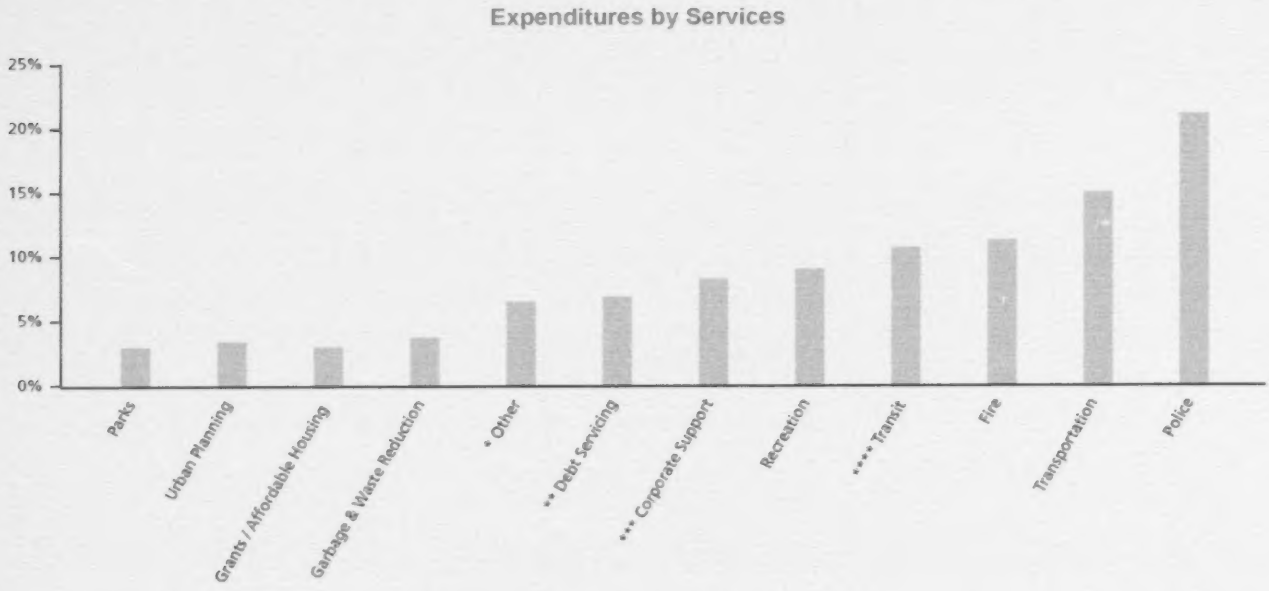
The City of Saskatoon's 2015 Operating Budget also includes Utilities owned by the City of Saskatoon. These self-funded programs generate revenues that also form an important source of revenue for the City which contribute significantly to various Civic mill rate programs. In the 2015 Operating Budget, these Utilities have contributed $53.5 million to the City through General Revenues to offset the cost of the City's Civic Operations. This represents a $2.0 million increase over that contributed in the 2014 Operating Budget.

In the preparation of the 2015 Operating Budget, mill rate and expenditure mandates were set to guide departments. These mandates were set in response to the Chamber of Commerce and the Canadian Federation of Independent Business (CFIB) encouraging municipal governments to keep expenditures in check with inflation. As noted in a letter tabled by the CFIB with Saskatoon City Council during the 2012 Budget Review, it urged the City of Saskatoon to "limit year-over-year spending growth to a maximum of inflation plus population growth".

THE CITY OF SASKATOON'S 2015 OPERATING BUDGET

The 2015 budget was prepared with the view to limit the tax increase, prior to the amount dedicated to roadways and traffic noise attenuation, to no more than the MPI which was calculated at 3.23%. The increased amount budgeted from the tax base for Civic Services including Fire is 1.03%. The Policing budget adds an additional 2.16%, which brings the increase to 3.19%. After the dedicated roadways increase of 1.94% and the increased amount for traffic noise attenuation of 0.20% are added, the total proposed 2015 tax increase is 5.33%.

The following graph shows the distribution of expenditures by service. The largest portion is Policing with 21% of the total budget and Transportation is next largest at 15%.



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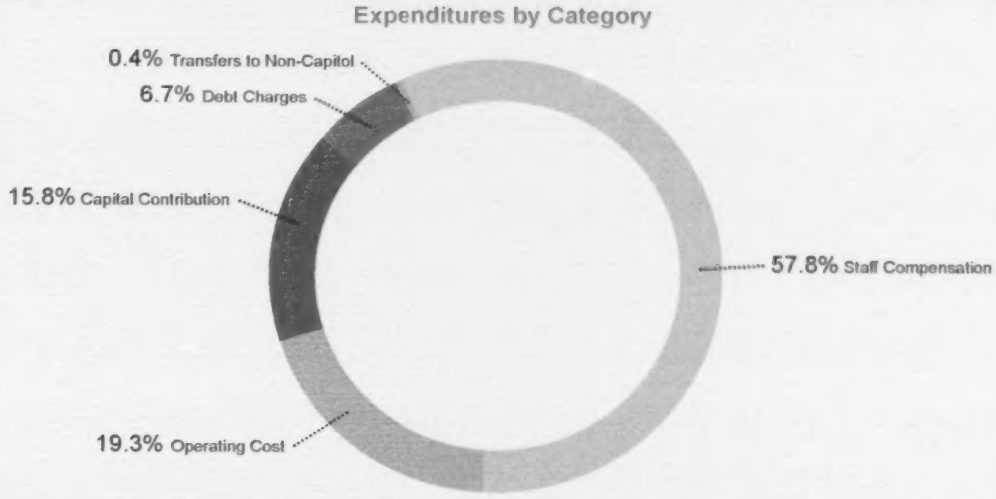
*** Debt Servicing includes provisions for current and future debt servicing*

**** Corporate Support includes the offices of the City Manager, City Clerks, City Solicitor , Finance, Revenue, Assessment & Taxation, Information Technology, Human Resources and General Administration*

***** Includes Access Transit*

The following chart shows the major expense categories within the 2015 Operating Budget.

The majority of expenditures (57.8%) are for staff salaries and payroll costs while other operating expenditures are 19.3% of the total budget. $69.4 million (15.8%) of the total operating budget is allocated to capital reserves to fund capital projects. Debt servicing costs (principal and interest) are $30.9 million (6.7%) of the budget.



A number of key items were included in the 2015 Operating Budget, many of which are strategic phase-ins related to financing plans for future requirements.

Included in the budget are the following items totaling over $2.0 million:

- $850,000 - Incremental Phase-in for Police HQ Capital Financing Plan;
- $750,000 - 1st of four year phase-in to North Commuter Parkway Bridge (applied as temporary funding for the Bridge Reserve);
- $200,000 - Incremental Phase-in for Future Fire Hall Growth Plan;
- $174,000 - 0.1% of annual property tax revenue allocated to Active Transportation Reserve; and,
- $50,000 - Incremental Phase-in for Facility Site Infrastructure Replacement Reserve.

Also included are operating impacts from new capital projects for 2015. These total $88.800 and are listed in detail in the Capital Budget section.

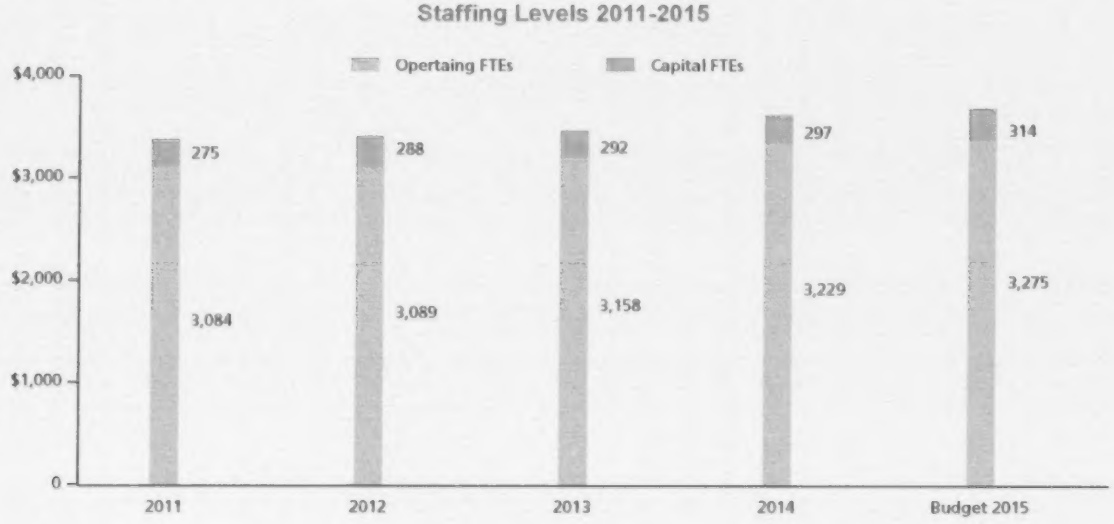
Staffing

In total 46.80 new full-time equivalents (FTE's) are included in the 2015 budget of which 38.51 are to address growth, 2.66 for new service level changes and another 4.1 required as result of new capital projects.

Thirty-seven of these new FTE's are front line operational positions while four positions are supervisory or managerial in nature. The remaining six positions are for Police.

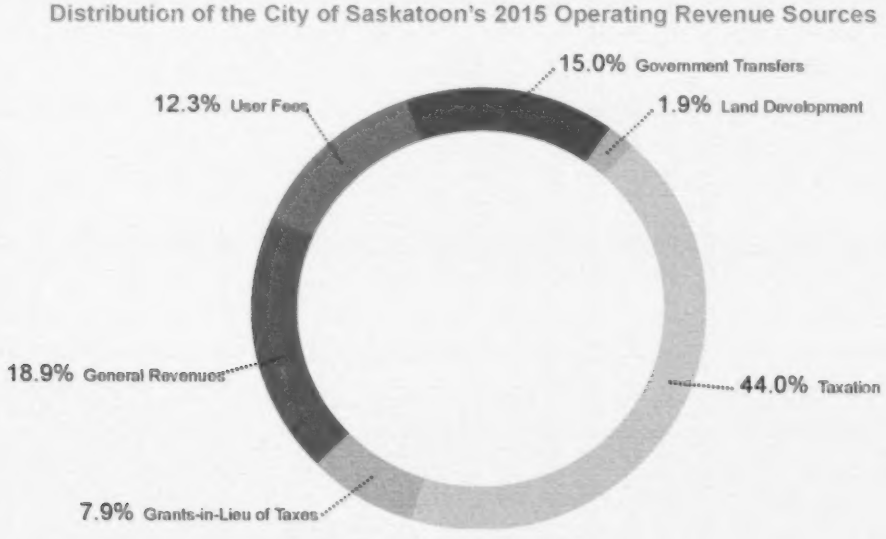
THE CITY OF SASKATOON'S 2015 OPERATING BUDGET

A guideline for FTE increases has been set for the past three years at growth, less 1%. For 2015 with a 3.04% growth rate the targeted FTE rate increase would be 2.04%. The 48.60 new positions in 2015 means a 1.45% increase (includes Land Development 2014 total FTE of 18.5) which is below the target of 2.04%.



REVENUES

A more formalized revenue review process has been implemented that includes a scheduled review of revenues. Included as a part of this process are the documentation and review of all revenue streams for the City that identifies the basis, calculation, method, and comparison to other jurisdictions of the revenue. This process will be on-going and forms part of the financial practice of the City.


Distribution of the City of Saskatoon's 2015 Operating Revenue Sources
15.0% Government Transfers
12.3% User Fees
1.9% Land Development
18.9% General Revenues
44.0% Taxation
7.9% Grants-in-Lieu of Taxes

General Revenues

For the 2015 Operating Budget, general revenues make up 18.9% of City of Saskatoon operating revenues. For the purposes of this document, general revenues include the following items:

- investment income;
- franchise fees;
- land sales;
- fines and penalties; and,
- licenses and permits

The City of Saskatoon has established five utility funds – Water, Wastewater, Storm Water, Light & Power, and Waste Services.

General revenues from these utilities include a return on the City's investment in the Light & Power utility, and an administrative cross-charge to cover the costs of providing certain corporate support services (e.g. legal, payroll, purchasing, accounts payable, etc.). Franchise fees are also received from SaskPower (10% surcharge and 5% of electricity sales) and SaskEnergy/TransGas (5% of the cost of supply and delivery).

User Fees

User fees revenue comprises 12.3% of the 2015 Operating Budget. Various services provided by the City of Saskatoon are funded in whole or in part through fees paid directly by the user. Some services are expected to be self-sufficient, while others are only expected to recover a portion of their total costs from users. In other words, for those services that directly benefit a particular user, then, in most cases, user fees are charged. However, for those services that have social or community benefits, and where the cost to the user would be prohibitive, then the City will subsidize a portion of the cost of the service.

The 2015 budget includes increases for user fees, some of which include:

2015 User Fee Rate Increases (000's)	
Leisure facility admissions, registration, and rental fees	899.6
Golf course green fees and cart rentals	93.0
Cemetery grave, interment, and monument sales	74.7
Fire Services rate increase for outside jurisdictions	189.0
Zoo admissions	29.1
Policing - criminal record checks and family services	9.8
Parking Permits	6.2

THE CITY OF SASKATOON'S 2015 OPERATING BUDGET

Government Transfers

In order to provide necessary and essential public services and programs to its residents, the City of Saskatoon receives funding from other orders of government. For 2015, 15% of the City's projected operating revenues come from other governments, particularly the Government of Saskatchewan.

The most significant transfer is from the Government of Saskatchewan which is the Municipal Revenue Sharing grant. The objective of this grant program is to provide long-term predictable funding to municipalities to help them address the operational challenges they face as a result of growing populations and increased demands for services.

The program grant is tied to the Provincial Sales Tax (PST) that grows with the economy. The PST is predictable, sustainable, and reflective of economic growth. The grant represents the equivalent of one point of the PST revenue pool. Cities receive approximately 48% of the total revenue sharing pool.

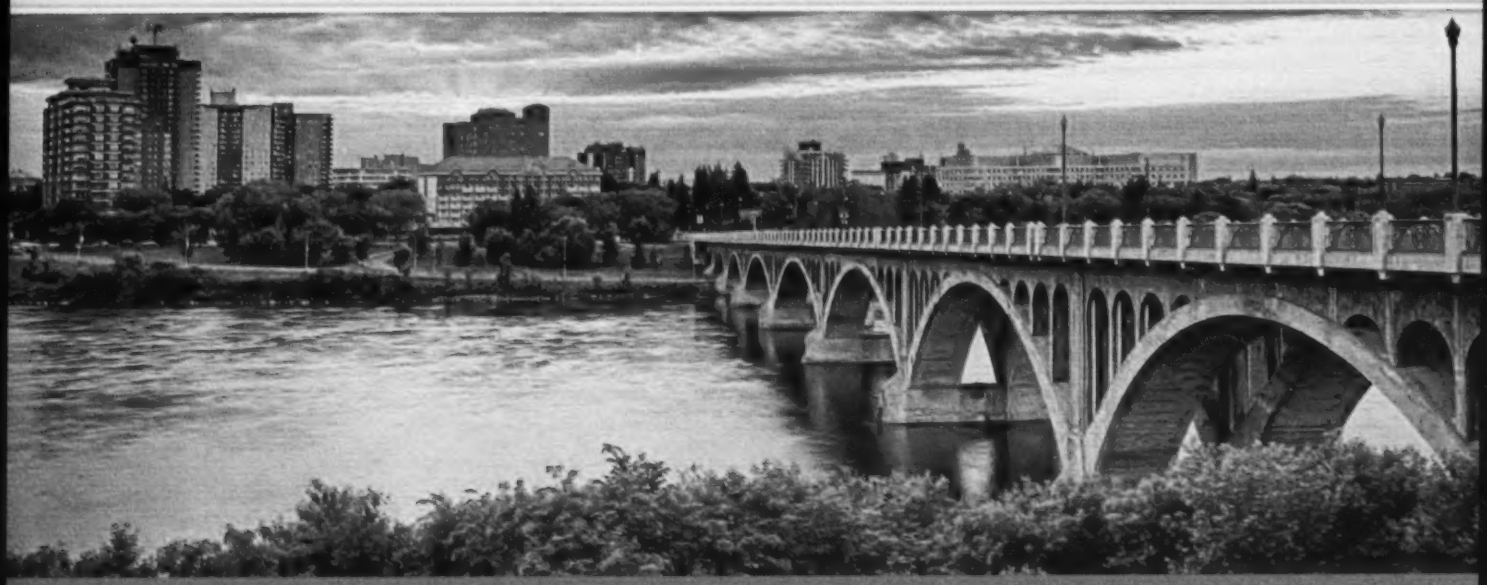
For 2015, the Government of Saskatchewan will be providing the City of Saskatoon with $47.4 million in revenue sharing funding. This is an increase of $1.2 million over the 2014 funding.

Grants-in-Lieu of Taxes

This revenue source comprises 7.9% of the City of Saskatoon's projected operating revenues for 2015.

Grants-in-lieu of taxes are typically grant payments to municipalities from the federal and provincial orders of government. Although these orders of government are exempt from paying local property taxes, they do make grant payments in place of property taxes for government owned/managed properties.

In the City of Saskatoon, a grant-in-lieu is also paid by Saskatoon Land and the City's utilities.



THE CITY OF SASKATOON'S 2015 CAPITAL BUDGET

The City of Saskatoon's 2015 Capital Budget (including Land Development) provides a total capital investment of $373.4 million ($381.1 million in 2014).

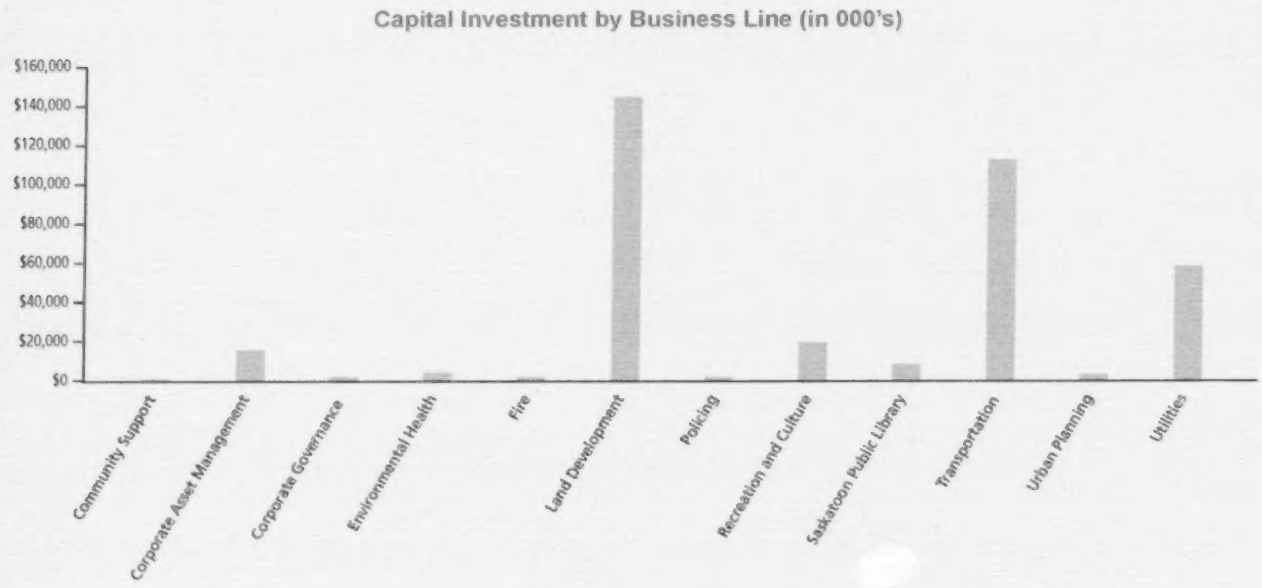
The City of Saskatoon's Capital Budget directs funding for the construction or refurbishment of major capital infrastructure projects such as roads, bridges, buildings, and water and sewer lines. The 2015 Capital Budget not only addresses the city's growth, but also its basic infrastructure needs with continued emphasis on roads and bridges.

The City of Saskatoon is continuing to develop funding plans for major infrastructure projects not only resulting from growth but also for maintenance and replacement due to aging. One of the key funding strategies is to dedicate a portion of property tax increases solely for the maintenance of roads as the required funding base is then built to meet the long-term needs and service levels desired by the citizens of Saskatoon.

Together, the various projects that comprise this total capital investment aim to meet the objectives of the City's Strategic Plan and specifically:

- prepare us for growth;
- improve our mobility;
- enhance the safety of our public;
- increase our quality of life; and,
- protect our environment

THE CITY OF SASKATOON'S 2015 CAPITAL BUDGET



Land Development continues to play a major role in the capital program of the City of Saskatoon with those projects totaling $147.8 million and making up 40% of the capital budget. In 2015, serviced family lots will be completed in Kensington along with the initial phases of the Aspen Ridge neighbourhood and the Elk Point neighbourhood concept plan will be submitted for approval. In addition, new parks will be developed in Montgomery, Parkridge, Stonebridge, Rosewood, Evergreen, and Kensington. These new growth areas and various infill developments play a vital role in providing the serviced land that will accommodate new housing and commercial investment in our City over the next five to ten years.

Transportation is the next largest component of the capital plan with 30.9% of the budgeted expenditures. Two of the largest projects in the 2015 Capital Budget are the Boychuk Drive/ Highway 16 Interchange and the McOrmond Drive/ Highway 5 Interchange. $70.0 million ($35.0 million each) has been budgeted for these major construction projects beginning in 2015.

Other projects of significance for 2015 include:

- the Water Utilities AMI (meter reading) conversion project budgeted at $4.4 million;
- the Wastewater's Collection system for continuous rehabilitation of water mains budgeted at $4.6 million; and,
- the second phase of the Gordon Howe Bowl Upgrades budgeted at $5.0 million of which $1.0 million in funding is the City's portion.

The City's utilities contribute another $59.8 million which is 16% of the total capital budget.

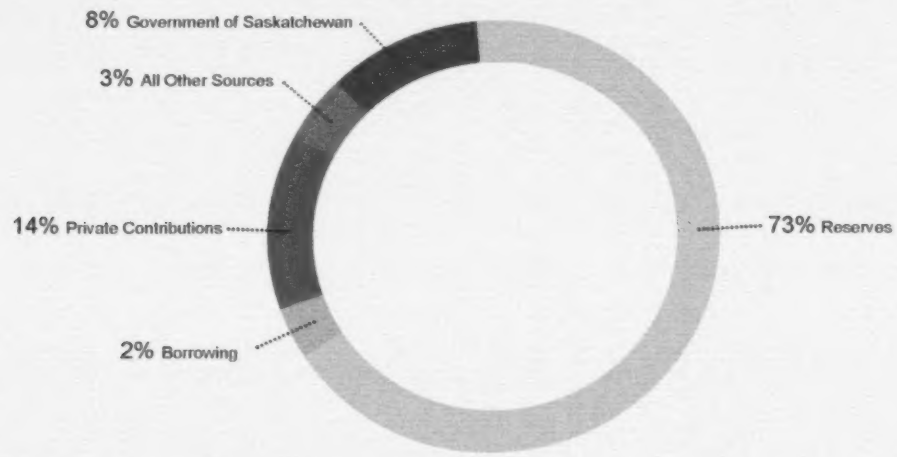
Paying for the 2015 Capital Budget

The chart below illustrates the largest source of funding for the 2015 Capital Budget are reserves.

- Reserves fund 73% of the entire Capital Budget; the City has set this aside for capital replacement, enhancement and new capital work.
- Private Contributions make up 14% of the funding source which includes developer levies, community association contributions, and donations from fundraising events.

› Borrowing comprises 2%, funding from the Provincial Government is 8% and the remaining 3% of the funding comes from all other sources including external sources, and operating contributions.

2015 Capital Funding Sources



The following table summarizes the funding for the 2015 Capital Budget.

2015 Capital Budget Funding Summary

Source of Funding ($000)	2015 Budget
General Capital:	
Reserves	$ 94,719
Borrowing	3,100
Province of Saskatchewan	28,950
Private and External Contributions	23,925
Operating Contributions	1,100
Other	6,487
Saskatoon Public Library Reserve	7,509
Total General Capital	**$ 165,789**
Utility Capital:	
Reserves	$ 48,640
Borrowing	5,895
Private and External Contributions	1,625
Operating Contributions	3,615
Total Utility Capital	**$ 59,775**
Total General & Utility Capital	**$ 225,564**

Continued . . .

THE CITY OF SASKATOON'S 2015 CAPITAL BUDGET

Source of Funding ($000)	2015 Budget
Land Development:	
Reserves/Developers	$ 147,822
Total Land Development	**$ 147,822**
Total Capital Funding	$ 373,386

Borrowing

The 2015 Capital Budget contains borrowing of $9.0 million, mostly for a number of utility projects ($5.9 million) for which the debt payments would be funded through utility rates. While borrowing is budgeted for projects as a source of funding, the actual borrowing is based on cash flow requirements.

The total outstanding debt as of December 31, 2013 was $234.5 million. The City borrowed an additional $25.0 million in 2014 for various Utility projects. With these borrowings and the planned debt repayments, the expected outstanding debt balance at December 31, 2014 will be about $238.0 million.

The forecasted borrowing for the next five years is to increase to a peak near $479.0 million in 2018. City Council recently approved the application to the Saskatchewan Municipal Board for an increase in the City's debt limit to $558.0 million. Most of this increase in project debt is from Public Private Partnerships (P3) such as the Civic Operations Centre, the North Commuter Parkway, and Traffic Bridge Replacement projects.

Borrowing related to the utility projects will be repaid through utility rates. The repayment of the debt related to the other projects is funded through the general operating budget and through the overall borrowing strategy, using gas tax revenues from the federal government.

Reserves

Reserves accumulate funds from various sources and are used to fund many capital projects. Annual contributions are made to designated capital reserves based on formulas and provisions as described in the Capital Reserves Bylaw and City Policy. The Reserve Sufficiency Schedule reflects the sufficiency of these reserves as shown in the Tables and Schedules section of the Operating Budget.

The balances in the City's capital and stabilization reserves heading into 2015 remain healthy with a total balance of $113.6 million.

Estimated Reserve Balances (Millions)	Jan., 2014	Jan., 2015
Capital Reserves:		
General	$ 5.65	$ 3.0
Prepaid Services (Land Development)	(34.8)	25.7
Property Realized	47.9	30.7
Boards/Commissions (Including Saskatoon Public Library)	41.6	28.0
Capital Reserves Total	**$ 60.3**	**$ 87.4**

Continued . . .

Estimated Reserve Balances (Millions)	Jan., 2014	Jan., 2015
Stabilization Reserves:		
Fiscal Stabilization	7.3	6.1
Land Operations Stabilization	3.2	4.1
Fuel Stabilization	1.0	1.0
Utilities Stabilization	6.0	6.0
Building Permits / Inspections Stabilization	5.6	6.1
Other	2.9	2.9
Stabilization Reserves Total	**$ 26.0**	**$ 26.2**
Total Reserves Balance	$ 86.3	$ 113.6

The Reserve for Capital Expenditures (RCE) has been established by City Council to provide funding for discretionary capital projects. In total, nearly $3.6 million was made available to fund the discretionary capital projects. RCE is mostly funded by an annual mill rate contribution.

Reserve for Capital Expenditures (RCE) Forecast (in 000's)	2015
Projected January 1 Opening Balance	$ 1,555
Contribution from Operating Budget	3,678
Allocation of Rosewood Dividend	750
Repayment from the Multi-Material Recycling Program	169
River Landing Operating Funding	(1,192)
Temporary Reduction to Operating Contribution*	(625)
Minimum Balance Retained	(750)
Allocated to RCE Capital Projects	**$ 3,585**

** 2013 Budget Commitment on P2320 - Transit Dart System Improvement/ITS, temporarily reducing RCE operating contribution in 2014 and 2015 to transfer funding to cover debt.*

While the City's reserves are in good financial condition, there are three reserves that will be in deficit positions at the end of 2015. City Council has authorized these deficits as an exception from the normal requirement to remain in a zero or positive balance.

The Infrastructure Reserve for Water and Wastewater has been in a deficit position for the past number of years based on the advancement of flood control projects to alleviate further flooding. The plan to replenish the reserve is through a flood control levy of $4.50 per water meter placed on utility bills. This reserve is expected to be in a positive position by 2018.

Another reserve that has City Council's approval to remain in a deficit balance until 2016 is the Parks Infrastructure Replacement Reserve, to cover the higher construction costs of the WJL Harvey Park Redevelopment. The Parks Reserve will be replenished through annual contributions. The only plan to address the long-term under-funding of the Parks Infrastructure Reserve is to defer projects. There is no plan to impact the mill rate with any increases to fund the reserve deficit.

THE CITY OF SASKATOON'S 2015 CAPITAL BUDGET

The Regional Waste Management Facility capital project to upgrade and expand the landfill has a $6.0 million withdrawal from the Landfill Replacement Reserve placing the reserve in a deficit position until 2016. The plan is to replenish the reserve over time through revenues. City Council has approved this strategy in principle.

External Funding Sources

Funding from external sources include, but are not limited to, other orders of government programs, private contributions, fundraising campaigns, and corporate sponsorship or partnership arrangements. Some of the key external funding sources are the Federal Gas Tax and the Federal Transit Fund, in addition to the already mentioned, Building Canada Fund and Infrastructure Stimulus funds.

In the 2012 Federal Budget, the federal gas tax transfer was made a permanent source of funding for municipalities. These funds are being allocated to a number of projects as cash and/or debt repayment on borrowing for these projects.

The City also receives funding from the Province under the Urban Highway Connector Program to help maintain provincial connector roads.

Operating Budget Impact of Capital Investments

Capital projects within this budget will impact future City operating programs. The additional operating costs for the 2015 projects for the years 2015 - 2017 are summarized as follows:

Operating Impact (000s)	2015	2016	2017
Corporate Governance & Finance	$ 29	$ 67	$ 36
Policing	44	61	0
Recreation and Cultural Services	0	43	163
Transportation	0	174	344
Urban Planning & Development	16	0	0
Total	$ 89	$ 345	$ 543

The City of Saskatoon is committed to exploring, defining, and implementing new ways of improving services, increasing savings, and growing our city sustainably. A dedication to *a culture of continuous improvement* ensures that our teams continue to move forward to become even more goal-oriented, responsive, and adaptive to the changing needs and demographics of our rapidly growing city.

The FSC Logo identifies products which contain wood from well managed forests certified in accordance with the rules of the Forest Stewardship Council A.C.

City of Saskatoon

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2015 Corporate Business Plan & Budget
Adopted by City Council on December 9, 2014

2015 Mill Rates
Adopted by City Council on April 27, 2015